DOCUMENT RESUME

ED 274 840	CE 045 224
AUTHOR	Hiatt, Randy E.
TITLE	Introduction to Entrepreneurship. Teacher's Guide.
INSTITUTION	East Texas State Univ., Commerce. Occupational Curriculum Lab.
SPONS AGENCY	Texas Education Agency, Austin. Dept. of Occupational Education and Technology.
PUB DATE	86
NOTE	352p.
AVAILABLE FROM	Occupational Curriculum Laboratory, East Texas State University, Commerce, TX 75428 (Order No. TI-300-TG: $20.00).
PUB TYPE	Guides - Classroom Use - Guides (For Teachers) (052)
EDRS PRICE	MF01/PC15 Plus Postage.
DESCRIPTORS	Behavioral Objectives; *Business Education; *Career Education; Case Studies; Competency Based Education; *Entrepreneurship; Learning Activities; Lesson Plans; Secondary Education; *Small Businesses; State Curriculum Guides
IDENTIFIERS	*Free Enterprise System; Texas

ABSTRACT

This curriculum guide, which was written to meet the mandate requiring all vocational programs in Texas to provide 30 classroom hours of instruction in entrepreneurship, is intended to introduce entrepreneurship as a viable career choice and foster an attitude conducive to success as an entrepreneur. Addressed in the individual units of the guide are the following topics: the pros and cons of entrepreneurship, entrepreneurship and free enterprise, steps in becoming an entrepreneur, procedures in developing a business plan, business ownership, and ways of helping a business succeed. Each instructional unit includes the following basic components: objectives, notes to the instructor, information sheets, transparency masters, activity sheets, tests, and answers to the tests and activities. Concluding the guide are a list of resources and a supplementary set of case studies with questions and answers. (MN)

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INTRODUCTION TO
ENTREPRENEURSHIP

TEACHER'S GUIDE

Prepared by

Randy E. Hiatt

Published by
Occupational Curriculum Laboratory
Center for Vocational Education
Department of Secondary and Higher Education
East Texas State University
Commerce, Texas

CE045224

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First Edition

1986

First printing January 1986--500 copies

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ACKNOWLEDGMENTS

The final product of any writing project is but the concluding endeavors of many people, some of whom are highly visible and others whose efforts go unnoticed.

To those individuals who maintained a rather visible profile during the development of this curriculum is a special word of thanks. To this group belongs the project advisory committee who gave selflessly of their time to review, critique and encourage the development of this material. Members of the committee included:

Dr. Harley Davis, Paris Junior College
Dr. Delilia Diggs, Prairie View A & M University
Ms. Carolyn Ramsey, Spring Branch I.S.D.
Ms. Rita Gonzales, Dallas Minority Business Development Associates
Dr. Paul Meyers, Texas Education Agency
Dr. Wallace Johnston, Amarillo College
Ms. Francis Baldwin, Connally I.S.D.
Ms. Karen Johnson, Odessa College
Mr. Jerry Hedrick, Federal Reserve Bank of Dallas
Mr. Norris Young, Director of MDE, Texas Education Agency

Appreciation is also extended to Ms. Theressa Powell of Northeast Texas Community College and former cohort of mine from the Occupational Curriculum Laboratory. Her support and knowledge was an invaluable aid during the past year.

Just as with any major writing assignment the work would be impossible without that group who we errantly designate as the support staff. These diligent people work tediously behind the scenes to transform broken handwritten copies and misshapen sentences into clean concise statements for all the world to read. These people are truly the hub of the wheel without whom no organization could effectively operate. A most sincere and special word of appreciation is extended to:

Kathie Wells for an outstanding editing job
Beverly Wood for her data entry and learning to spell entrepreneurship over and over . . . again
Rebecca Erwin for data entry and laborious efforts at correcting the final copy
Bob Norsworthy and his graphic arts staff
John Leugemors and his OCL print shop staff

and to the remainder of the people associated in some manner with the Occupational Curriculum Laboratory.

Randy Hiatt
Graduate Assistant

PREFACE

Introduction To Entrepreneurship is written in order to meet the essential elements mandate requiring all vocational programs in the state of Texas to provide six weeks or thirty classroom hours of instruction on entrepreneurship. In keeping with this mandate, this curriculum guide was written with three broad objectives in mind. The first objective is to introduce entrepreneurship as a viable career choice. Such an objective seeks to inform students and educators of what entrepreneurship is, why it exists, and of some of the issues involved in such an occupational choice.

For those wishing to delve more deeply into this area of study, the opportunity to do so has been written into this guide as the second objective. Beginning in Unit IV, Activity Sheet 3, an interactive approach is introduced into the curriculum. This interactive process continues throughout the text, encouraging the student to develop an imaginary business, and to complete many of the same steps an entrepreneur would in real life.

The third and final objective of this curriculum guide is to create an attitude conducive to success as an entrepreneur. For example, in the section on technical assistance, the statement is made that to recognize one's weaknesses and to get help in overcoming these limitations is, in essence, an attitude of strength. Many of the attitudes conducive to entrepreneural success can begin being developed long before the actual adventure into the small business enterprise. We hope that this text will promote such development, and it is to the budding entrepreneurs that this text is dedicated.

INTRODUCTION

Introduction to Entrepreneurship is written to meet the essential elements requirement that all vocational education programs include some instruction on entrepreneurship as a viable occupational choice. In keeping with this program of study, vocational courses are asked to devote from six weeks to thirty classroom hours teaching about entrepreneurship. Realizing that programs of instruction will vary considerably on the time actually allowed for such study, this curriculum guide has been written to account for such disparity.

The first four units of this text cover some of the basics of entrepreneurship. These units will help develop a well rounded approach to what entrepreneurship is and reasons people choose to become entrepreneurs. Units five and following become more detailed and specific. These units will provide information necessary to establish a successful entrepreneurship.

In all cases, whether or not a great amount of time is spent teaching the concept of entrepreneurship, educators are asked to read through "Notes to the Instructor" which precedes each unit. These instructional pages contain essential facts that need to be covered as well as giving other pertinent information about the unit before it is taught.

For those programs not covering the entire curriculum, there is little chance that students will be lost by skipping from information sheet to information sheet. While the curriculum does build upon itself, each of the information sheets is capable of standing independently for teaching purposes.

Entrepreneurship can be a rewarding and exciting field of study. By bringing entrepreneurs into the classroom or combining any number of creative teaching techniques, students can come to an understanding that they can be in control of their future. Such an understanding may create an unparelleled excitement for their area of vocational training.

As an essential element requisite, the teaching of entrepreneurship represents an insightful approach to the needs of vocational education by the Texas Education Agency. The entrepreneural spirit was the momentum by which many of the early American needs were fulfilled and will continue to be the means by which the American free entreprise system flourishes. To those people who are willing to take advantage of the system, to become entrepreneurs, there can be found unprecedented freedom. The entrepreneural spirit belongs to all Americans--regardless of race, heritage or physical ability. For the Texas Education Agency to recommend the teaching of entrepreneurship is to support the basic tenets of America's foundation and to reaffirm the rights of all Americans to pursue life, liberty and happiness.

USE OF THE INSTRUCTIONAL UNITS

INSTRUCTIONAL UNITS

Each instructional unit includes the following basic components: objectives, notes to the instructor, information sheets, transparency masters, activity sheets, tests, and answers to the activities and tests. Each unit is planned to cover more than one lesson or period of instruction.

Previewing the unit before the lesson will help the instructor to determine:

A. The amount of material to be covered in each class period

B. Supplemental materials that must be ordered or secured

C. Resource people who must be contacted

D. The teaching sequence for the information and the activities

E. The subject areas that he/she wishes to cover

OBJECTIVES

Each unit of instruction is based on performance objectives. These objectives state the goals of the program, thus providing a sense of direction and accomplishment for the student.

Performance objectives are stated in two forms: unit objectives, which state the terminal performance expected of the student upon completion of the unit, and specific objectives, which are those performances that will help the student to master the unit objective.

Since the objectives of the unit provide direction for the learning process, it is important for the teacher and students to discuss the objectives prior to covering the information in the unit. This discussion will provide a common understanding between teacher and student of the intent of the objectives. Performance terms have been used in all objectives of the units to assist in promoting the effectiveness among all individuals using the materials.

Teachers should feel free to delete or add objectives to tailor the material to the needs of the students and the program. When objectives are added, corresponding information sheets, activities, and tests should be designed and constructed.

NOTES TO THE INSTRUCTOR

Each unit provides a "Notes to the Instructor" section outlining steps to follow in accomplishing specific objectives. The instructor should carefully preview this section prior to any lesson, making additional notes that would assist in conveying the information to the students.

In addition, the instructor should select, sequence, or modify any information and activity sheets deemed necessary for the local teaching situation. Arrangements should be made and supplies should be assembled as required for any activity sheets selected.

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Instructors are strongly encouraged to use any additional instructional activities, methods, and references that would aid in accomplishing the objectives.

ANSWERS TO ACTIVITY SHEETS AND TESTS

Answers for activities and tests are provided directly after the "Notes to the Instructor" and may be used by the teacher for checking student achievement of the objectives. Many of the activities are geared more to student participation and must be evaluated to the satisfaction of the instructor.

INFORMATION SHEETS

Information sheets provide content essential for meeting the cognitive (knowledge) objectives of the unit. Information may be presented in two ways: 1) The instructor may use the information sheet as a guide for presenting the background knowledge necessary for the students to complete the specific objectives and ultimately the unit objective, or 2) Students may be allowed to read information sheets before, or as information is discussed in class. Students should take notes on any additional information presented.

TRANSPARENCY MASTERS

Transparency masters present information in a special way. The student may see as well as hear the material being presented, thus reinforcing the learning process. Transparencies may present new information, stimulate discussion, or reinforce information presented in the information sheets. They are also very effective when identification is necessary.

Transparencies should be made from the masters and placed in the teacher's notebook where they will be readily available for use. Transparencies will direct attention of the class to the topic of discussion as well as generate other thoughts for discussion.

ACTIVITY SHEETS

Activity sheets provide direction to study and also provide application and reinforcement of cognitive materials presented. An effort has been made to incorporate the following elements of the learning process: translation, interpretation, application, analysis, synthesis, and evaluation so that the learning style of each student will be recognized.

The activity sheets may be given to the students for completion in class or may be used as homework assignments. Answer sheets are provided which may be used by the teacher and/or student in checking student progress.

The instructor should preview the activity and "Notes to the Instructor" sheets prior to making student assignments to assure that information has been covered and all supplies required are available. Class time should be set aside for those that require group participation. Those activities that require student participation rather than written answers should be evaluated to the satisfaction of the instructor.

TEST

Written tests are provided to measure students' understanding of the information covered in each information sheet. Individual test items may be used as a pre-test measure or as a review oral quiz to assist the instructor in spotting difficulties being encountered by students in their efforts to accomplish the unit objective. The individual tests over the information sheets may also be grouped as a semester or unit test. The instructor should construct additional test items for any objectives and information added to the unit.

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

UNIT OBJECTIVE

After completing this unit, the student will know what an entrepreneurship is and be able to identify the reasons people become entrepreneurs. This knowledge will be evidenced through demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit, the student will:

1. Define entrepreneurship
2. Define entrepreneur
3. Identify five traits of entrepreneurships
4. List the two main reasons people become entrepreneurs
5. List three reasons people do not want to become entrepreneurs
6. List four examples of entrepreneurships

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

NOTES TO THE INSTRUCTOR

I. Objective Sheet

A. Discuss the unit objective with the students.

B. Discuss the specific objectives with the students.

C. Add any other objectives which will help to meet the needs of the students.

II. Information and Activity Sheets

(NOTE: Encourage the students to keep a folder of their entrepreneurship material. Most students will not think about becoming entrepreneurs until several years after they leave vocational education. At that time, the students will need access to information pertaining to entrepreneurship. Explain that this first unit will help the student to know exactly what the term entrepreneurship means.)

A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Explain that many of these terms will appear over and over again throughout the text.

2. Explain that entrepreneurs will need to know the "Language" of their business and of the business community.

3. Use ACTIVITY SHEET 1--SENTENCE COMPLETION to reinforce this area of instruction.

4. Use ACTIVITY SHEET 2--WORD FIND to reinforce this area of instruction.

5. Use other assignments, such as a vocabulary list or sentence building, which you believe will reinforce this area of instruction.

(NOTE: Before class, review Information Sheets 2, 3, 4 and 5. Several of these Information Sheets and corresponding tests may be deleted to conserve time, depending upon the needs and objectives of your class.)

B. INFORMATION SHEET 2--TRAITS OF ENTREPRENEURSHIPS

1. Explain that entrepreneurships are small businesses.

2. Help the students to understand that anyone can start a business; the handicapped, disavantaged, and minorities can all use their special abilities.

3. Explain that a trait is a special feature or how something is unique.

4. Use TM-1--ENTREPRENEURSHIPS ARE INDEPENDENTLY OWNED AND INDEPENDENTLY MANAGED to reinforce this area of instruction.

5. Help the student to understand that many entrepreneurships are started in the home.

6. Use TM-2--ENTREPRENEURSHIPS MAY BE STARTED FROM THE HOME to reinforce this area of instruction.

7. Use ACTIVITY SHEET 3--TRUE OR FALSE.

C. INFORMATION SHEET 3--WHY ENTREPRENEURS HAVE THEIR OWN BUSINESS.

1. Stress the importance of entrepreneurships being a form of second income for many people.

2. Let the students know that part-time entrepreneurships often develop into full-time occupations.

3. Help the student to understand that entrepreneurs like the responsibility of operating their own businesses.

4. Use ACTIVITY SHEET 4--LISTING AND SHARING to help students understand the two main reasons people become entrepreneurs and the reasons the students would like to start a business.

(NOTE: ACTIVITY SHEET 4, part D can help stimulate class discussion on entrepreneurship. Remember, this information will help create an interest in entrepreneurship as an alternative career choice.)

D. INFORMATION SHEET 4--REASONS PEOPLE DO NOT WANT TO BE ENTREPRENEURS

1. Help the student understand that some people do not want to be entrepreneurs because of the risk involved.

(NOTE: It would be helpful to point out that risk is involved in almost anything the student undertakes. Risk can be minimized by careful planning.)

2. Use ACTIVITY SHEET 5--CHOOSING THE CORRECT ANSWER to reinforce this area of instruction.

(NOTE: Help the students discuss how the wanting of more responsibility can be a motivating desire to open a business and how not wanting responsibility can be a reason people do want their own businesses.)

E. INFORMATION SHEET 5--WHY WE NEED TO LEARN ABOUT ENTREPRENEURSHIP

1. Help the students understand that they live in a country where anyone can become an entrepreneur.

2. Explain how sucessful entrepreneurs are excellent users of resources available to them; the students can begin collecting important

information that will be beneficial to them when they think about starting their own businesses.

3. Use TM-3--EXAMPLES OF ENTREPRENEURSHIPS to illustrate some of the options available to the student.

4. Use ACTIVITY SHEET 6--EXAMPLES OF ENTREPRENEURSHIPS to reinforce this area of instruction.

III. Answers to Activity Sheets

IV. Unit Test

A. The test is divided into four parts.

1. Each part covers one Information Sheet.

2. Each part uses various methods of instruction.

B. Various approaches may be used in testing.

1. Give each part of the test after the students have completed the information on one Information Sheet.

2. Give the entire test upon completion of the unit.

3. Give one or several parts of the test as an additional assignment or to reinforce the content of the unit.

4. Use the test parts as a take-home, open-book test.

C. Add test parts corresponding to any information areas you add to the unit.

V. Answers to Unit Test

A. Answers are based upon the information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

VI. References and Resources

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UNIT I

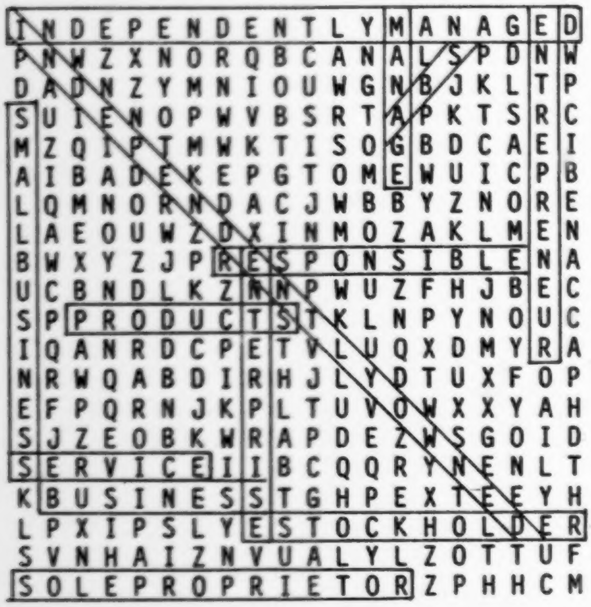
INTRODUCTION TO ENTREPRENEURSHIP

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1

1. business
2. car parts
3. cleaning houses
4. entrepreneur
5. entrepreneurship
6. sole-proprietor
7. not dominant in its field
8. manage
9. responsible
10. S.B.A.
11. stockholder
12. small business

ACTIVITY SHEET 2



```
I N D E P E N D E N T L Y M A N A G E D
P N W Z X N O R Q B C A N A L S P D N W
D A D N Z Y M N I O U W G N B J K L T P
S U I E N O P W V B S R T A P K T S R C
M Z Q I P T M W K T I S O G B D C A E I
A I B A D E K E P G T O M E W U I C P B
L Q M N O R N D A C J W B B Y Z N O R E
L A E O U W Z D X I N M O Z A K L M E N
B W X Y Z J P R E S P O N S I B L E N A
U C B N D L K Z N N P W U Z F H J B E C
S P P R O D U C T S T K L N P Y N O U C
I Q A N R D C P E T V L U Q X D M Y R A
N R W Q A B D I R H J L Y D T U X F O P
E F P Q R N J K P L T U V O W X X Y A H
S J Z E O B K W R A P D E Z W S G O I D
S E R V I C E I I B C Q Q R Y N E N L T
K B U S I N E S S T G H P E X T E E Y H
L P X I P S L Y E S T O C K H O L D E R
S V N H A I Z N V U A L Y L Z O T T U F
S O L E P R O P R I E T O R Z P H H C M
```

ACTIVITY SHEET 3

1. F
2. T
3. T
4. F
5. T
6. T
7. T
8. F
9. T
10. F

ACTIVITY SHEET 4

A. 1. Entrepreneurs want to be their own boss.
   2. Entrepreneurs want to earn more money.

B. Evaluated to the satisfaction of the instructor.

C. Evaluated to the satisfaction of the instructor.

D. Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 5

A. 1.
2. ✓
3. ✓
4. ✓
5.
6. ✓
7.
8.

B. Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 6

Evaluated to the satisfaction of the instructor.

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

ANSWERS TO UNIT TEST

PART 1

1. d
2. f
3. g
4. b
5. j
6. c
7. i
8. e
9. a
10. h

PART 2

1. new
2. sole proprietor
3. independently
4. entrepreneur
5. Traditional entrepreneurs
6. Modern entrepreneurs

PART 3

1. T
2. T
3. T
4. F
5. F
6. T
7. F
8. T
9. F
10. T

PART 4

1. ✓
2. ✓
3. ✓
4. ✓
5. ✓

PART 5

1. T
2. T
3. F
4. F
5. T

ANSWERS TO TEST

INTRODUCTION TO ENTREPRENEURSHIP

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Business--a place where products and services are bought and sold
2. Enterprise--a business
3. Entrepreneur--a person who starts or buys a business
4. Entrepreneurship--a small business started by one or more people
5. Independently managed--a person's being allowed to run a business as he/she wants
6. Independently owned--not part of another business
7. Manage--being responsible for a business
8. "Not dominant in its field"--the sales of a business being only a small amount of the total sales in its field; a carpenter may build houses, but the money he/she makes from such work is not as much as a business that builds many buildings all over the country.
9. Product--that which a business sells; car parts, office supplies, etc.
10. Responsible--making decisions and deciding how something is to be done
11. SBA--Small Business Administration
12. Services--that which is done for another person; cleaning houses, typing, etc.
13. Small business--a business that is independently owned, independently managed, and not dominant in its field
14. Small enterprise--a small business
15. Sole proprietor--a person who is the only owner of a business
16. Stockholder--a person who owns part of a business but who may not be involved in it on a day-to-day basis.

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

ACTIVITY SHEET 1--SENTENCE COMPLETION

Directions: Complete each sentence using one of the words listed below.

Entrepreneur
Business
Sole proprietor
Cleaning houses
S.B.A.
Small Business
Car parts
Entrepreneurship
Not dominant in its field
Manage
Responsible
Stockholder

1. A ____________________ is a place where products and services are sold.
2. ____________ _______________ is an example of a product sold by entrepreneurs.
3. ____________ _______________ is an example of a service that an entrepreneur may do.
4. A person who starts or buys a business is an __________________.
5. An ____________________ is a new business started by one or more people.
6. A ________________ ________________ is a person who is the only owner of a business.
7. When the sales of a business are only a small amount of the total sales in its field, it is said to be ______ ___________ ____ ____ __________.
8. To ____________ is to be responsible for a business.
9. To make decisions and to decide how something is to be done is to be __________________.
10. _______________ stands for Small Business Administration.
11. A ______________ is a person who owns part of a business.
12. A ____________ _____________ is a business that is independently owned, independently managed, and not dominant in its field.

ACTIVITY

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

ACTIVITY SHEET 2--WORD FIND

A. Find and circle the following words in the word find below.

- Independently managed
- Independently owned
- Small Business
- Manage
- SBA
- Stockholder
- Responsible
- Enterprise
- Products
- Sole-proprietor
- Entrepreneur
- Business
- Service

I	N	D	E	P	E	N	D	E	N	T	L	Y	M	A	N	A	G	E	D
P	N	W	Z	X	N	O	R	Q	B	C	A	N	A	L	S	P	D	N	W
D	A	D	N	Z	Y	M	N	I	O	U	W	G	N	B	J	K	L	T	P
S	U	I	E	N	O	P	W	V	B	S	R	T	A	P	K	T	S	R	C
M	Z	Q	I	P	T	M	W	K	T	I	S	O	G	B	D	C	A	E	I
A	I	B	A	D	E	K	E	P	G	T	O	M	E	W	U	I	C	P	B
L	Q	M	N	O	R	N	D	A	C	J	W	B	B	Y	Z	N	O	R	E
L	A	E	O	U	W	Z	D	X	I	N	M	O	Z	A	K	L	M	E	N
B	W	X	Y	Z	J	P	R	E	S	P	O	N	S	I	B	L	E	N	A
U	C	B	N	D	L	K	Z	N	N	P	W	U	Z	F	H	J	B	E	C
S	P	P	R	O	D	U	C	T	S	T	K	L	N	P	Y	N	O	U	C
I	Q	A	N	R	D	C	P	E	T	V	L	U	Q	X	D	M	Y	R	A
N	R	W	Q	A	B	D	I	R	H	J	L	Y	D	T	U	X	F	O	P
E	F	P	Q	R	N	J	K	P	L	T	U	V	O	W	X	X	Y	A	H
S	J	Z	E	O	B	K	W	R	A	P	D	E	Z	W	S	G	O	I	D
S	E	R	V	I	C	E	I	I	B	C	Q	Q	R	Y	N	E	N	L	T
K	B	U	S	I	N	E	S	S	T	G	H	P	E	X	T	E	E	Y	H
L	P	X	I	P	S	L	Y	E	S	T	O	C	K	H	O	L	D	E	R
S	V	N	H	A	I	Z	N	V	U	A	L	Y	L	Z	O	T	T	U	F
S	O	L	E	P	R	O	P	R	I	E	T	O	R	Z	P	H	H	C	M

ACTIVITY

INTRODUCTION TO ENTREPRENEURSHIP

INFORMATION SHEET 2--TRAITS OF ENTREPRENEURSHIPS

I. Entrepreneurships are new businesses that are started or bought by one or more people.

II. Entrepreneurships are owned by one or more people.

   A. A person who is the only owner of an entrepreneurship is called the sole-proprietor.

   B. If two or more people start or buy a new business together, they are partners.

III. An entrepreneurship is not part of another business.

   A. Entrepreneurships are independently owned.

   B. Entrepreneurships are independently managed.

IV. Entrepreneurships may sell only one or two products or services.

V. Entrepreneurships may be managed from the home.

   A. Many entrepreneurships that sell services are managed from the home.

   B. A person who begins an entrepreneurship will need to check the laws where he/she lives to see if it is all right to have a business in the home.

   (NOTE: These types of laws are called zoning laws.)

VI. Entrepreneurships are often begun as part-time jobs in order to make more money.

EXAMPLE: An automobile mechanic who works for someone may work at night and on weekends and begin his/her own repair shop.

VII. An entrepreneur is a person who starts an entrepreneurship.

   A. Traditional entrepreneurs are people who start a business to make and sell new products and services.

      1. Henry Ford was a traditional entrepreneur; he built cars and started the Ford Motor Company.

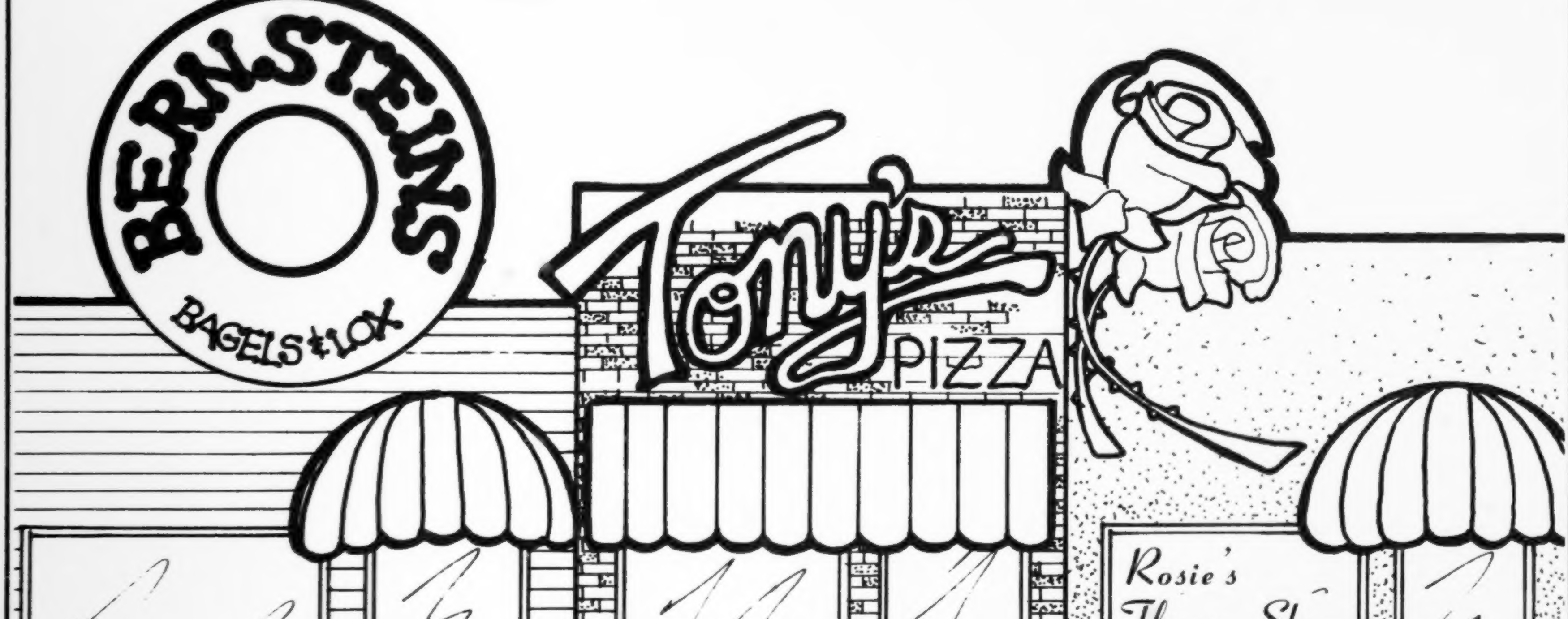
      2. John D. Rockefeller was a traditional entrepreneur; he started the Standard Oil Company of Ohio.

   B. Modern entrepreneurs are people who start or buy a business, but the products and services are not new.

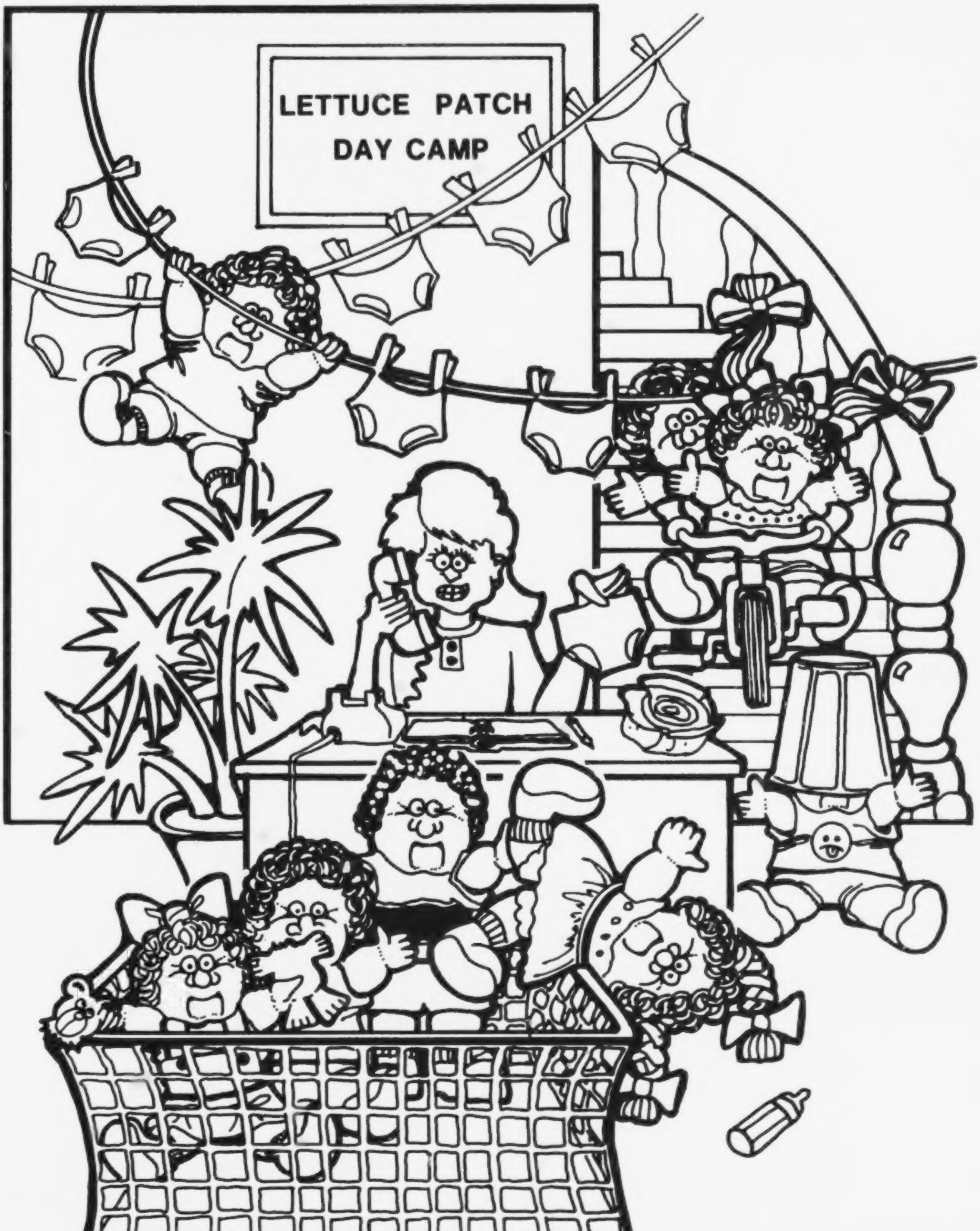
      1. Someone who begins a painting business is a modern entrepreneur.

      2. Someone who buys a business to run is a modern entrepreneur.

ENTREPRENEURSHIPS ARE INDEPENDENTLY OWNED AND INDEPENDENTLY MANAGED


BERNSTEINS
BAGELS & LOX
Tony's
PIZZA
Rosie's
Flower Shop
TM-1

ENTREPRENEURSHIPS MAY BE STARTED FROM THE HOME


LETTUCE PATCH
DAY CAMP

TM-2

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

ACTIVITY SHEET 3--TRUE OR FALSE

Directions: For each sentence below, circle "T" if the sentence is True or "F" if the sentence is False.

T F 1. Entrepreneurships are old businesses that are started or bought by one or more people.

T F 2. A person who is the only owner of an entrepreneurship is called the sole-proprietor.

T F 3. Entrepreneurships are independently owned.

T F 4. Entrepreneurships are parts of other businesses.

T F 5. Entrepreneurships can be run from the home.

T F 6. An entrepreneur is a person who starts an entrepreneurship.

T F 7. Traditional entrepreneurs are people who start a business to make and sell new products and services.

T F 8. Henry Ford was a modern entrepreneur.

T F 9. Modern entrepreneurs are people who start or buy a business, but the products and services are not new.

T F 10. John D. Rockefeller was a modern entrepreneur.

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

INFORMATION SHEET 3--WHY ENTREPRENEURS HAVE THEIR OWN BUSINESSES

I. There are two main reasons that people become entrepreneurs.

- A. Entrepreneurs want to be their own boss.
    - 1. To be able to make decisions
    - 2. To use their abilities
    - 3. To solve problems
- B. Entrepreneurs want to earn more money.

II. There are many other reasons that people become entrepreneurs.

- A. New businesses are easy to begin.
    - 1. Small entrepreneurships may be started without much money.
    - 2. Not as many laws govern small entrepreneurships.
- B. Entrepreneurships can be given up easily.
    - 1. Fewer people need to be thought about when stopping an entrepreneurship.
    - 2. Getting rid of products may not be a problem because there are not as many being sold.
- C. Entrepreneurs do not need to share profits with other people.

    (NOTE: The profit is the amount of money left over after everything has been paid for.)
- D. Taxes on some entrepreneurships are not as great as they are for large businesses.
- E. Entrepreneurs can take pride in owning their business.
- F. Entrepreneurs can use many of their skills and talents in their business.
    - 1. Many people do not get to use all of their skills when they work for someone else.
    - 2. Many people get bored when they have to work for someone else.
- G. Entrepreneurs can make decisions.
    - 1. They have more responsibility.
    - 2. They can make quick decisions that will help the business.

   a. Not as many people need to be consulted in a small business.

   b. Not as many machines and products have to be considered.

H. Entrepreneurs can get to know the people who work for them.

I. Entrepreneurs can get to know the people for whom they work.

   1. People like to know the individuals who are working for them.

   2. People can trust entrepreneurs to do good work.

      a. If the entrepreneur does poor work, he will not get work.

      b. Entrepreneurs do work that they do well.

J. Entrepreneurs can give good service to the people for whom they work.

   1. Big businesses sometimes do not get to know their customers.

      (NOTE: The customer is the person who buys the products and services.)

   2. The entrepreneur can talk to the customer to find out what he/she would like.

INTRODUCTION TO ENTREPRENEURSHIP

ACTIVITY SHEET 4--LISTING AND SHARING

A. List below the two main reasons that people become entrepreneurs.

1.

2.

B. There are many reasons that people become entrepreneurs. If you could become an entrepreneur tomorrow, what would be some of your reasons for starting your own business? List five reasons.

1.

2.

3.

4.

5.

C. Which of the reasons that you listed is the most important to you? Place a check (√) beside it.

D. Talk with a friend or your teacher about the reason that you checked. Which one did your friend check?

ACTIVITY

INTRODUCTION TO ENTREPRENEURSHIP

INFORMATION SHEET 4--REASONS PEOPLE DO NOT WANT TO BE ENTREPRENEURS

I. Entrepreneurs may have trouble getting the money needed to open a business.

II. Entrepreneurs may not know how to find the help that they need.

   A. Entrepreneurs may need help in learning how to sell their products or services.

   B. Entrepreneurs may need help in learning how to get money to start their businesses.

   C. There are many things for which an entrepreneur will need to find help.

III. Entrepreneurs have much responsibility

IV. Entrepreneurs may need to pay for all of the cost when starting a business.

V. Entrepreneurs do not know what is going to happen.

   A. There may not be work.

   B. The cost of products and services may go up.

   (NOTE: Starting an entrepreneurship can be very risky, many people would rather work for someone else rather than to risk failure at starting their own business.)

INTRODUCTION TO ENTREPRENEURSHIP

ACTIVITY SHEET 5--CHOOSING THE CORRECT ANSWER

A. Directions: Listed below are some reasons that people become entrepreneurs and some reasons why people do not want to be entrepreneus. Place a check mark beside those reasons given for not wanting to be an entrepreneur.

1. They want to make more money.
2. They may have trouble getting the money needed to open a business.
3. They may not know how to find the help that they need.
4. They have much responsibility.
5. They want to be their own boss.
6. They may need to pay for all of the cost when starting a business.
7. They can get to know their employees.
8. They can give good service to the people for whom they work.

B. Directions: Having much responsibility may or may not be reason for wanting to be an entrepreneur. Talk with a friend about how much responsibility can be a reason for wanting to be and not wanting to be an entrepreneur.

INTRODUCTION TO ENTREPRENEURSHIP

INFORMATION SHEET 5--WHY WE NEED TO LEARN ABOUT ENTREPRENEURSHIP

I. Anyone can be an entrepreneur

II. There are many entrepreneurships in the United States.

   A. Many people work for entrepreneurs.

   B. Many people will become entrepreneurs.

III. Many entrepreneurships go out of business every year.

   A. People need to know how to keep their businesses going.

   B. People need to know how to make their businesses better.

IV. To learn how to overcome the risk of starting an entrepreneurship.

(NOTE: There are many ways to make going into entrepreneurship less risky.)

   A. By buying a business that already exists and is successful.

   B. By buying into a franchise business.

   C. By learning how to develop a good business plan.

V. Some examples of entrepreneurships

   A. Farm equipment repair

   B. Bicycle shop

   C. Wheelchair transportation

   D. Answering service

   E. Day-care for children

   F. Pest control

   G. Plumbing

SOME EXAMPLES OF ENTREPRENEURSHIPS

1. Farm equipment repair
2. Tree trimming service
3. A garden center
4. Fertilizer and pesticide service
5. Dairy farming
6. Apparel store
7. Travel agency
8. Bicycle store
9. Flower and plant store
10. Inn keeping
11. Nursing
12. Wheelchair transportation
13. Health spa
14. Telephone answering service
15. Secretarial service
16. Bookkeeping
17. Software design
18. Word processing
19. Restaurant
20. Day care
21. Housekeeping
22. Sewing
23. Home attendant
24. Security guard
25. Pest control
26. Energy specialist
27. Hair stylist
28. Auto repair
29. Welding
30. Electrician
31. Carpentry
32. Plumbing
33. Air conditioning

TM-3

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

ACTIVITY SHEET 6--EXAMPLES OF ENTREPRENEURSHIPS

Directions: Listed below are some examples of businesses that you could start. Circle five businesses that you think you would like to own.

1. Farm equipment repair
2. Tree trimming service
3. A garden center
4. Fertilizer and pesticide service
5. Dairy farming
6. Apparel store
7. Travel agency
8. Bicycle store
9. Flower and plant store
10. Inn keeping
11. Nursing
12. Wheelchair transportation
13. Health spa
14. Telephone answering service
15. Secretarial service
16. Bookkeeping
17. Software design
18. Word processing
19. Restaurant
20. Day-care
21. Housekeeping
22. Sewing
23. Home attendant
24. Security guard
25. Pest control
26. Energy specialist
27. Hair stylist
28. Auto repair
29. Welding
30. Electrical
31. Carpentry
32. Plumbing
33. Air conditioning

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

UNIT TEST--PART 1

Match the terms with their definitions by placing the correct letter in the blanks at the left.

____ 1. Manage

____ 2. S.B.A.

____ 3. Sole-proprietor

____ 4. Entrepreneurship

____ 5. Small business

____ 6. Entrepreneur

____ 7. Stockholder

____ 8. Responsible

____ 9. Business

____10. Not dominant in its field

a. a place where products and services are sold

b. a new business started by one or more people

c. a person who starts or buys a business

d. being responsible for a business

e. making decisions and deciding how something is to be done

f. Small Business Administration

g. a person who is the only owner of a business

h. the sales of a business being only a small amount of the total sales in its field

i. a person who owns part of a business

j. a business that is independently owned, independently managed, and not dominant in its field

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

UNIT TEST--PART 2

Fill in the blanks in each sentence using the following words.

traditional entrepreneurs
new
independently
modern entrepreneurs
sole proprietor
entrepreneur

1. Entrepreneurships are ____________ businesses.
2. A ________________ __________________ is a person who is the only owner of an entrepreneurship.
3. Entrepreneurships are __________ owned.
4. An ____________ is a person who starts an entrepreneurship.
5. ________________ are people who start a business to make and sell new products and services.
6. ________________ ________________ are people who start or buy a business, but the products and services are not new.

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

UNIT TEST--PART 3

Answer the following statements true or false by placing a T for True or an F for False in the blanks at the left.

____ 1. One of the main reasons people become entrepreneurs is to be their own boss.

____ 2. One of the main reasons people become entrepreneurs is to earn more money.

____ 3. New businesses are easy to begin.

____ 4. It is hard to quit an entrepreneurship because there are more products to get rid of.

____ 5. Entrepreneurs cannot take pride in owning their businesses.

____ 6. Entrepreneurs can use many of their skills and talents in their businesses.

____ 7. Entrepreneurs do not get to make decisions.

____ 8. Entrepreneurs can get to know the people for whom they work.

____ 9. Entrepreneurs give poor service to the people for whom they work.

____ 10. Entrepreneurs can get to know the people that work for them.

INTRODUCTION TO ENTREPRENEURSHIP

UNIT TEST--PART 4

Place a check (✓) to the left of each statement that is a reason people do not want to become entrepreneurs.

____ 1. They may have trouble getting the money needed to open a business.

____ 2. They may not know how to find the help that they need.

____ 3. They have much responsibility.

____ 4. They may need to pay for all the cost when starting a business.

____ 5. They do not know what is going to happen.

UNIT I

INTRODUCTION TO ENTREPRENEURSHIP

UNIT TEST--PART 5

Answer the following statements true or false by placing a T for True or an F for False in the blanks at the left.

____ 1. Anyone can be an entrepreneur.

____ 2. There are many entrepreneurs in the United States.

____ 3. Not many people work for entrepreneurs.

____ 4. Entrepreneurships seldom go out of business.

____ 5. People need to learn how to keep their businesses going.

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

UNIT OBJECTIVE

After completion of this unit of instruction, the student will be able to identify America as having a free enterprise economic system, will be able to identify several reasons why entrepreneurs can open their own businesses in America, and will be able to state how all economic systems are alike. The knowledge will be evidenced by demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit of instruction, the student will:

1. Define key terms associated with free enterprise
2. Be able to differentiate between agrarian and industrial
3. Be able to state the importance of competition
4. Identify the profit motive as a key factor in free enterprise
5. Be able to list three reasons why entrepreneurs can open their own businesses in the American free enterprise economic system
6. Be able to state four ways in which all economic systems are alike
7. Be able to identify three needs and wants of entrepreneurs
8. Be able to tell how the American government encourages entrepreneurship
9. Be able to list two ways in which entrepreneurships help America to grow
10. Be able to understand why anyone can be an entrepreneur in the American free enterprise

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

NOTES TO THE INSTRUCTOR

I. Objective Sheet

A. Discuss the unit objective with the students.

B. Discuss each specific objective.

C. Have the students complete the objectives in a sequence best suited to your classroom.

D. Add any objectives necessary to meet fully the needs of the unit and the student.

II. Information and Activity Sheets

(NOTE: This information on free enterprise comprises one of the necessary components of entrepreneurship as highlighted by the essential elements for all vocational programs. The objective of this unit is not to teach about free enterprise but to instruct the budding entrepreneur in how his/her economic goals can be enhanced through a personally owned business in this form of economic system. Entrepreneurship as a vocational alternative is possible because of the American free enterprise economic system.)

A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Review the terms and definitions with the students.

2. Help the students understand the difference between economic and financial.

3. Explain that free enterprise is the right of the people to own and operate businesses without government interference.

4. Use ACTIVITY SHEET 1--SENTENCE COMPLETION to reinforce this area of instruction.

5. Use ACTIVITY SHEET 2--CHOOSING THE DEFINITION to reinforce this area of instruction.

B. INFORMATION SHEET 2--AMERICA AND FREE ENTERPRISE

1. Explain that not all governments have a few enterprise economic system.

(NOTE: Other systems include socialism and communism; both are planned economic systems.)

2. Stress that, in America, anyone can be an entrepreneur.

3. Use TM-1--AGRARIAN ENTREPRENEURS to reinforce the fact that there are many types of entrepreneural alternatives in free enterprise systems.

4. Use TM-2--INDUSTRIAL ENTREPRENEURS to reinforce the fact that there are many types of entrepreneural alternatives in free enterprise economic systems.

5. Explain that in free enterprise there is a competition to produce products.

6. Use TM-3--COMPETITION IS ENCOURAGED to reinforce this area of instruction.

7. Explain that in free enterprise the entrepreneur can use natural resources to develop his/her business.

8. Use TM-4--AMERICA'S NATURAL RESOURCES to illustrate the wide variety of resources in America.

9. Use ACTIVITY SHEET 3--FREE ENTERPRISE to reinforce this area of instruction.

C. INFORMATION SHEET 3--ENTREPRENEURS IN AMERICA

1. Explain the four ways in which all economic systems are alike.

2. Use TM-5--WAYS IN WHICH ALL ECONOMIC SYSTEMS ARE ALIKE to help reinforce this area of instruction.

3. Explain that there are many things that entrepreneurs want and need.

4. Stress the fact that in the American free enterprise system entrepreneurs can obtain their wants and needs.

5. Help the students to understand the various ways in which the government helps entrepreneurs.

6. State the fact that entrepreneurships help America to grow.

7. Use TM-6--ENTREPRENEURSHIPS HELP AMERICA TO GROW to reinforce this area of instruction.

8. Use ACTIVITY SHEET 4--AMERICAN ENTREPRENEURS to reinforce this area of instruction.

9. Use ACTIVITY SHEET 5--AMERICAN ENTREPRENEURS to reinforce this area of instruction.

III. Answers to Activity Sheets

IV. Unit Test

A. The test is divided into three parts.

1. Each part covers one Information Sheet.

2. Each part uses various methods of testing.

B. Various approaches may be used in testing.

1. Give each part of the test after the student has completed the information in one information area or sheet.

2. Give the entire test upon completion of all the Information and Activity Sheets.

3. Give one or several parts of the test as an additional assignment to reinforce problem areas of learning.

C. Add test parts corresponding to any information areas or sheets added to the unit.

V. Answers to the Unit Tests

A. Answers are based on total information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

VI. References and Resources

A. Ballum, Mary. Units of Curriculum in Small Business. The First Edition 1980 Project. Instructor's Manual. St. Paul: Minn. State Department of Education, Division of Vocational and Technical Education. Developed by Area Vocational-Technical Institute, Red Wing, MN 55066. ED. 232004

B. Davis, Edward L. Entrepreneurship in Vocational Education: A Guide for Program Planning. Distributive Education Clubs of America. National Center for Research in Vocational Education, Columbus, OH. ED. 233217

C. Lyon, Barbara. Business Management and Ownership. OK State Board of Vocational and Technical Education, Curriculum Materials Center. Stillwater, OK 1982. ED. 229542

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

ANSWERS TO UNIT TEST

PART 1

1. i
2. j
3. c
4. f
5. b
6. e
7. h
8. a
9. g
10. d

PART 2

1. F
2. T
3. T
4. F
5. F
6. F
7. T
8. F
9. T
10. F

PART 3

A. 3

B. Any three of the following:
    1. To be economically free
    2. To be economically efficient
    3. To grow economically
    4. To be economically secure
    5. To be justly treated economically

C. 1. Highways
    2. Law enforcement

D. Any of the following:
    1. Bringing new products and service into the market place
    2. Helping create competition
    3. Helping the economy to grow

E. Give the student 10 extra points for a correct answer.
    1. Everybody in America can be an entrepreneur.

ANSWERS TO TEST

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1

1. profit
2. monopoly
3. industrial
4. market place
5. free enterprise economic system
6. economically secure
7. economic goals
8. competition
9. economically free
10. economically efficient

ACTIVITY SHEET 2

1. a
2. c
3. b
4. a
5. c

ACTIVITY SHEET 3

1. T
2. F
3. T
4. T
5. T
6. F
7. F
8. T
9. T
10. T

ACTIVITY SHEET 4

A.
1. All economic systems have natural resources.
2. People in economic systems have many things that they need and want.
3. People in economic systems must work to get what they want and need.
4. Economic systems must make products and services so that people can work and have the things they need.

B.
1. ✓
2. ✓
3. ✓
4. ✓
5. ✓

ACTIVITY SHEET 5

1. a
2. d
3. c
4. a
5. a
6. d
7. a
8. a
9. a
10. d

ENTREPRENEURSHIP AND FREE ENTERPRISE

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Agrarian--having to do with the land

2. Competition--struggling against another person or business in order to make a better product or service at a lower price

3. Economic--having to do with meeting a person's needs; for example food, a place to live, etc.

4. Economic goals--what a person wants to do economically, such as buy a house, take a vacation or have a large savings account

5. Economic system--how a government goes about meeting the economic needs of the country

6. Economically efficient--making the best use of time, money, and people

7. Economically free--having enough money so that a person does not need to worry about financial matters

8. Economically just--being treated fairly financially, such as being paid for the work one does

9. Economically secure--knowing that your financial needs will be taken care of

10. Financial--having to do with money

11. Free enterprise economic system--an economic system in which the people, not the government, own the businesses

12. Industrial--businesses that deal with machines rather than with the land

13. Market place--where products and services are bought and sold

14. Monopoly--business that is so dominant within its field that there is no competition for the products and services that it sells

15. Natural resources--anything that is not man-made and which is found in the environment, such as land, trees, water, and minerals

16. Profit--the money left after all the bills have been paid

ENTREPRENEURSHIP AND FREE ENTERPRISE

ACTIVITY SHEET 1--SENTENCE COMPLETION

Directions: Complete each of the following sentences with one of the following words.

economically efficient
profit
competition
industrial
economically secure
economic goals
market place
economically free
monopoly
free enterprise economic system

1. After the entrepreneur had paid all of her bills, she saw that there was a big ________________.
2. The APE company had a ____________________ in the costume industry, and there was no competition for their business.
3. The agrarian entrepreneur could not start a business because the country was all ____________________.
4. The entrepreneur took the fruit to the ____________ ____________ to be sold.
5. America has a __________ __________ __________ __________.
6. Entrepreneurs can be ______________ ______________ when their business does well.
7. One of the ________________ ________________ of the entrepreneur is to buy a nice house on the lake.
8. Both businesses in town were in ________________ with each other to have the best products for the lowest price.
9. Harry and Beth Smith could not be _______________ ______________ working for someone else so they started an upholstery business.
10. In the business where Sandy worked, the products were not made ________________ ________________ so the cost was very high.

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

ACTIVITY SHEET 2--CHOOSING THE DEFINITION

Directions: For each word below, circle the letter beside the correct definition.

1. Natural resources
    - A. Anything that is not man-made and is found in the environment
    - B. The money left after all the bills have been paid
    - C. Where products and services are bought and sold
2. Motive
    - A. To know that your financial needs will be taken care of
    - B. A business that deals with machines
    - C. A reason for doing something
3. Financial
    - A. Having to do with meeting a person's needs
    - B. Having to do with money
    - C. Struggling against another person or business
4. Economically just
    - A. Being treated fairly financially
    - B. What a person wants to do economically
    - C. Making the best use of time, money, and people
5. Economic system
    - A. Having to do with the land
    - B. Being treated fairly
    - C. How a government goes about meeting the economic needs of the country

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

INFORMATION SHEET-2--AMERICA AND FREE ENTERPRISE

I. In some countries, a person cannot start his/her own business.

A. Some governments decide what types of businesses will be started.

B. Some governments decide who will manage the new businesses.

II. In America, anyone can start his/her own business.

A. People who do not speak English can start their own businesses.

B. People who are physically handicapped can start their own businesses.

III. America has a free enterprise economic system.

A. A free enterprise economic system can be agrarian or industrial.

1. An agrarian entrepreneur might start a business where he/she can work outdoors.

(a) Start some type of farm

(b) Raise and sell plants

2. An industrial entrepreneur might start a business where he/she works with machines.

(a) Make and sell machine parts

(b) Own a small engine repair shop

3. Entrepreneurs can start the business they like if they live in a free economic system.

B. In America, entrepreneurs can own land and buildings.

1. The American entrepreneur can manage his/her business.

2. In some economic systems, land and buildings are owned by the government.

3. Freedom to own land and buildings can help a person start his/her own business.

4. Land and buildings can be used to get money to start a business.

(NOTE: To find out how land and buildings can be used to get money to start a business, turn to unit VI)

C. In a free enterprise economic system, people can buy the products and services that they want.

1. Entrepreneurs can make and sell many products and services for people to buy.

2. Entrepreneurs in America do not have to worry about people buying products and services from only one or two people.

D. In a free enterprise economic system, competition is encouraged.

1. Entrepreneurs can sell the same products and services that large businesses sell.

2. If an entrepreneur can make and sell a product or service for less than someone else, he/she will get more work.

3. Competition helps to keep prices low.

4. Monopolies are not allowed in free enterprise economic systems.

E. Profit is a motive in free enterprise

1. Entrepreneurs can earn much money.

2. Profits help the entrepreneur to expand his/her business.

3. Entrepreneurs can set the prices for the products and services they sell.

IV. Entrepreneurs can open their own businesses in the American free enterprise system.

A. Entrepreneurs can use America's natural resources to open a business.

1. Entrepreneurs can purchase natural resources to make products.

2. Examples of entrepreneurships which use the natural resources of America are:

(a) People who live near oceans and lakes could rent boats to people who like to fish.

(b) People who live near rivers could rent floats for people to use.

(c) People who own sandy land could sell the sand to builders.

(d) People who own a large forest could sell trees for lumber.

3. America has many natural resources which the entrepreneur can use.

B. Entrepreneurs can work and open almost any business they choose.

1. American people are not told by the government what jobs they must do.

2. People who want to be entrepreneurs in America are not told by the government which businesses they can and cannot begin.

   3. Entrepreneurs can hire people to help them in the entrepreneurship.

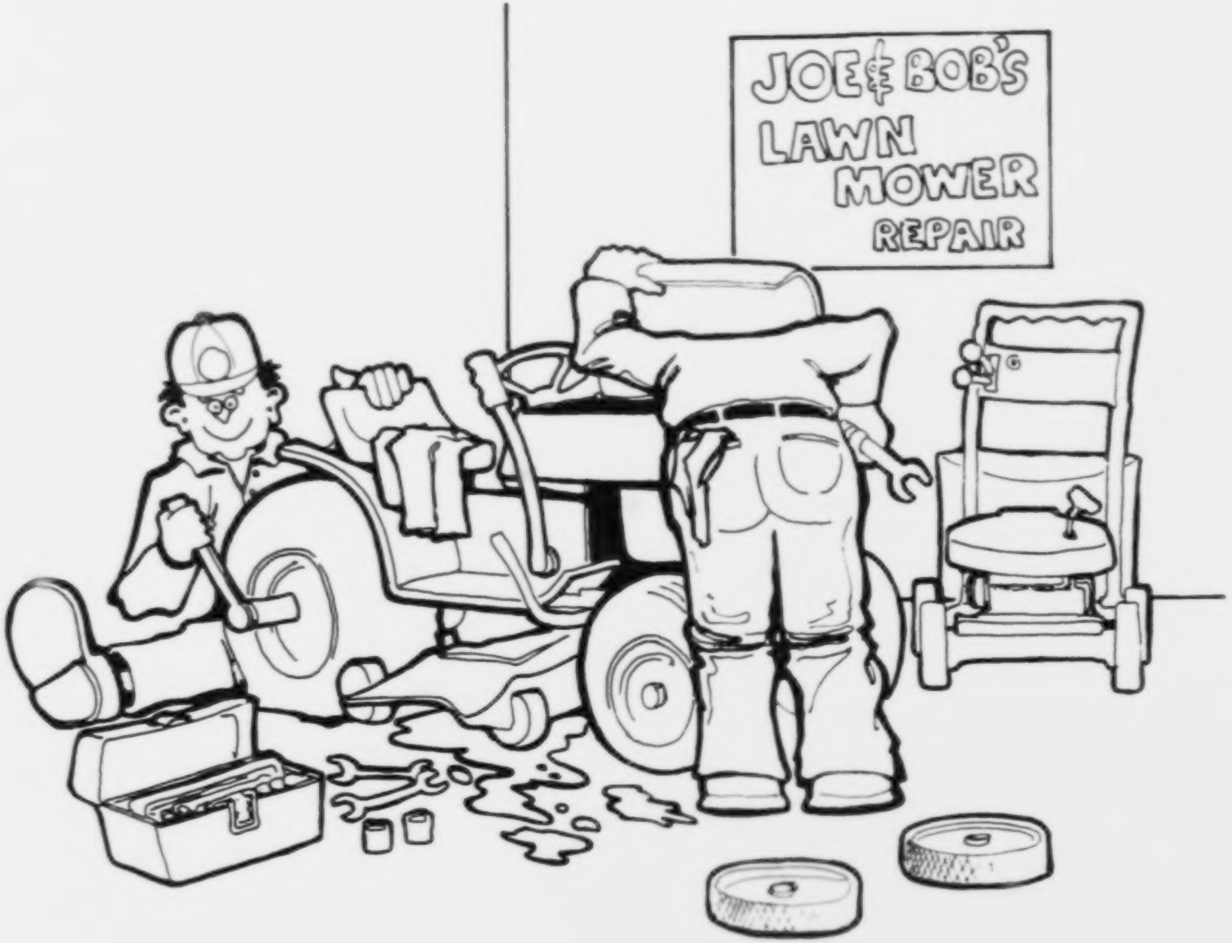
C. Entrepreneurs in the United States can make a profit.

   1. Entrepreneurs are rewarded for their hard work by making a profit.
   2. Entrepreneurs can keep their profit in free economic systems.
   3. In America, people can work and make much money.

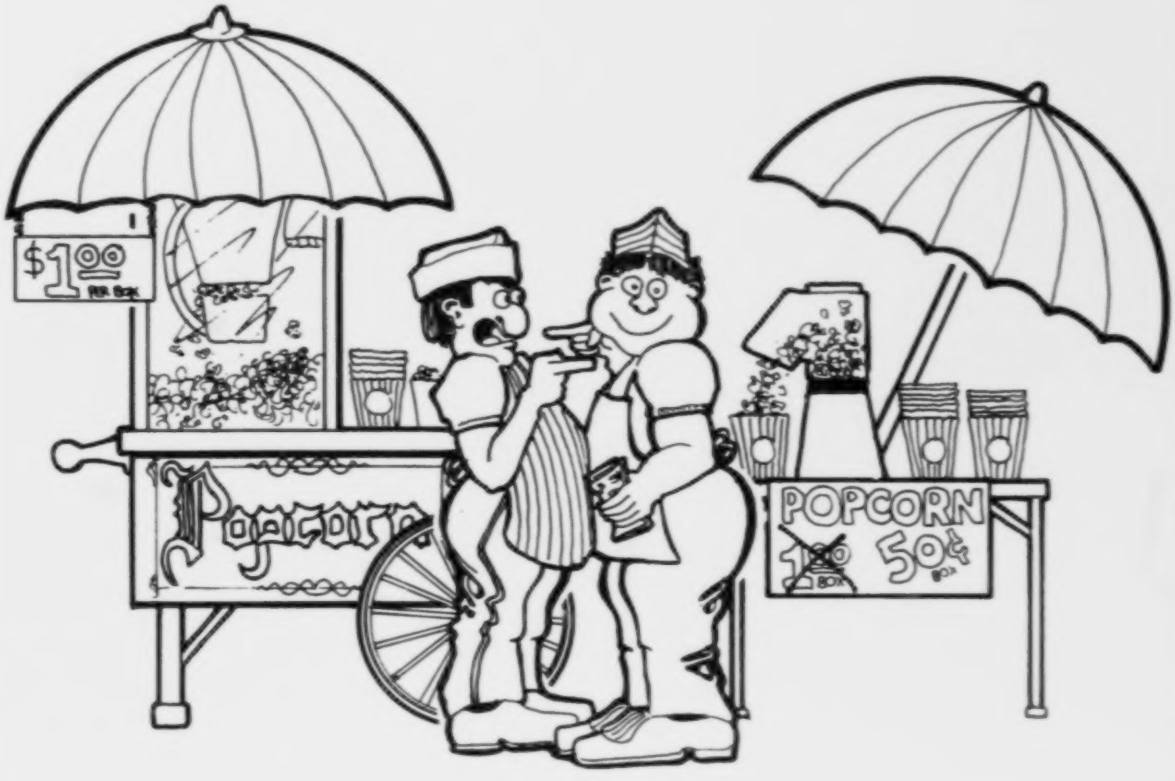
AGRARIAN ENTREPRENEURS

TM-1

INDUSTRIAL ENTREPRENEUR

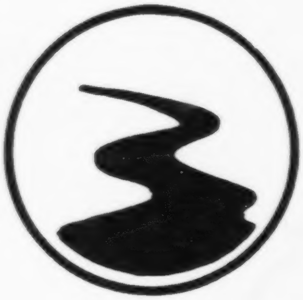

JOE & BOB'S
LAWN
MOWER
REPAIR

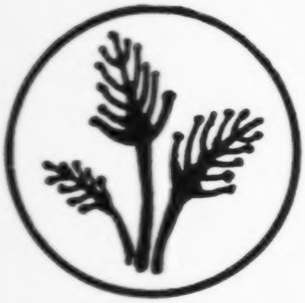
COMPETITION IS ENCOURAGED IN THE FREE ENTERPRISE ECONOMIC SYSTEM

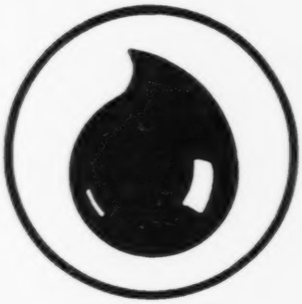

$1.00
PER BOX
Popcorn
POPCORN
~~1.00 BOX~~
50¢ BOX

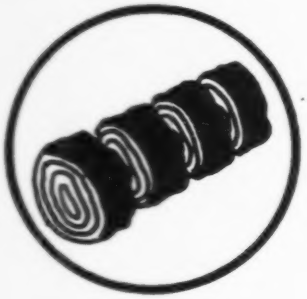
TM-3

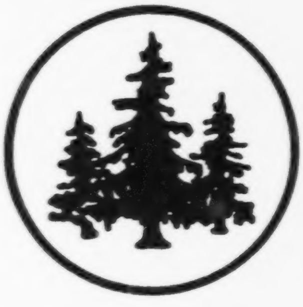
AMERICA'S NATURAL RESOURCES

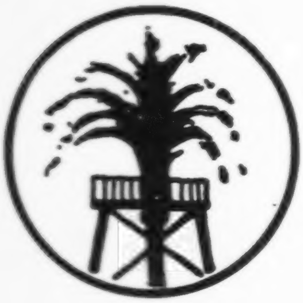


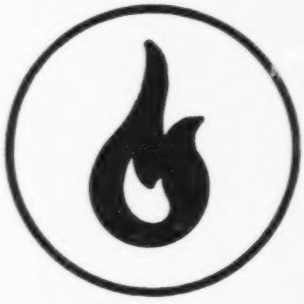












TM-4

ENTREPRENEURSHIP AND FREE ENTERPRISE

ACTIVITY SHEET 3--FREE ENTERPRISE

Directions: Answer the following statements True or False by placing a T for True or an F for False in the space at the left.

____ 1. In some countries, a person cannot start his/her own business.

____ 2. In America, only a few people can start their own businesses.

____ 3. A free enterprise system can be agrarian or industrial.

____ 4. In America, entrepreneurs can own land and buildings.

____ 5. Land and buildings can help a person start his/her own business.

____ 6. Entrepreneurs in America have to worry about people buying products and services from only one or two people.

____ 7. In a free enterprise economic system, competition is not encouraged.

____ 8. Competition helps to keep prices low.

____ 9. Monopolies are not allowed in free enterprise economic systems.

____10. Profit is a motive in free enterprise.

ENTREPRENEURSHIP AND FREE ENTERPRISE

INFORMATION SHEET 3--ENTREPRENEURS IN AMERICA

I. There are four ways in which all economic systems are alike.

  A. All economic systems have natural resources.

  B. People in economic systems have many things that they want and need.

  C. People in economic systems must work to get what they want and need.

  D. Economic systems must make products and services so that people can work and have the things they need.

II. Entrepreneurs in America can use the natural resources.

III. Entrepreneurs want and need many things to help make their lives happy.

  A. Entrepreneurs want to be economically free.

    1. Entrepreneurs do not want to worry about not having enough money to get what they want.

    2. Entrepreneurs do not want to worry about not having enough money to pay their bills.

    3. Entrepreneurs think they can do better economically by owning their own businesses.

  B. Entrepreneurs want to be economically efficient.

    1. Entrepreneurs like to be paid for what they do.

    2. Entrepreneurs like to get their work done.

      (a) Entrepreneurs will work many hours.

      (b) Entrepreneurs will work for a few hours.

    3. Entrepreneurs like to do good work but do not like to waste time or money.

  C. Entrepreneurs want to be able to grow economically.

    1. To make much money

    2. To make their businesses larger

    3. To have more

  D. Entrepreneurs want to be economically secure.

    1. People who work in some businesses worry about losing their jobs.

2. Some people become entrepreneurs because they want to have some kind of work if they were to lose their jobs.

3. Entrepreneurs can decide for themselves if they want to quit their businesses or keep them going.

E. Entrepreneurs want to be justly treated economically.

1. Many businesses make much money but only share a small amount of the profit with the people who work for the business.

2. People like to be paid for what they do.

3. Entrepreneurs may start their own businesses because other people do not pay them much money.

4. Entrepreneurs start their own businesses because they want to be paid for what they do.

F. Entrepreneurships help entrepreneurs to meet their economic goals.

1. To have money to pay the bills

2. To have money to buy the things they want

3. To have money to help other people

4. To have money during retirement years

5. To have money to put children through school

V. Entrepreneurships help entrepreneurs use all of their skills.

A. Organizing skills

B. Communication skills

C. Decision-making skills

VI. Many people in America are entrepreneurs.

A. The free enterprise economic system allows people to become entrepreneurs.

1. The government uses the products and services of entrepreneurs.

2. The government provides services for entrepreneurs to use.

(a) Highways

(b) Law enforcement

3. The government protects the people who buy goods and services.

(a) By making sure the products and services are safe

(b) By providing information to people

4. The government protects free enterprise.

(a) Monopolies are not allowed.

(b) Entrepreneurs can start their own businesses.

B. Many people in America work in small businesses.

1. Ninety-seven percent of the businesses in America are small businesses.
2. One in eight people are self-employed.

3. Fifty-six percent of the people work for small businesses.

4. You can be an entrepreneur.

V. Entrepreneurs help America to grow.

A. Entrepreneurs help bring new products into the market place.

B. Entrepreneurs help create competition.

1. Competition helps to keep prices low.

2. Competition helps to make products and services better.

3. Competition helps to create new and better products and services.

C. Entrepreneurs help the economy to grow.

1. Entrepreneurs make more money.

2. Entrepreneurs spend their money on other products and services.

3. The free enterprise economic system grows when money is earned and spent.

VI. Anyone can become an entrepreneur in America.

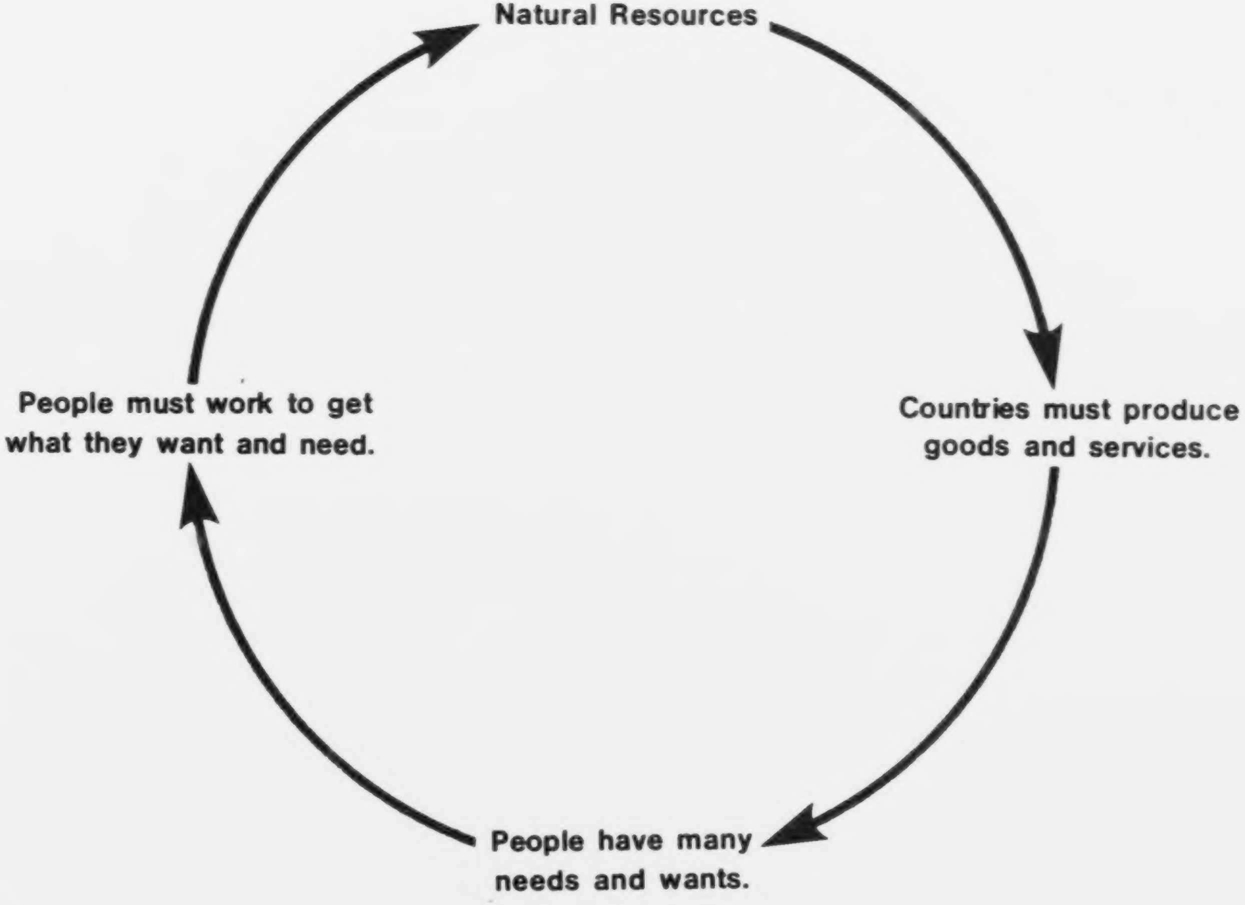
A. The American free enterprise system lets people use their abilities.

B. The American free enterprise system lets people set high economic goals.

C. An entrepreneur's economic goals can be reached in the American free enterprise system.

D. Everyone should use the American free enterprise system to reach their economic goals.

WAYS IN WHICH ALL ECONOMIC SYSTEMS ARE ALIKE



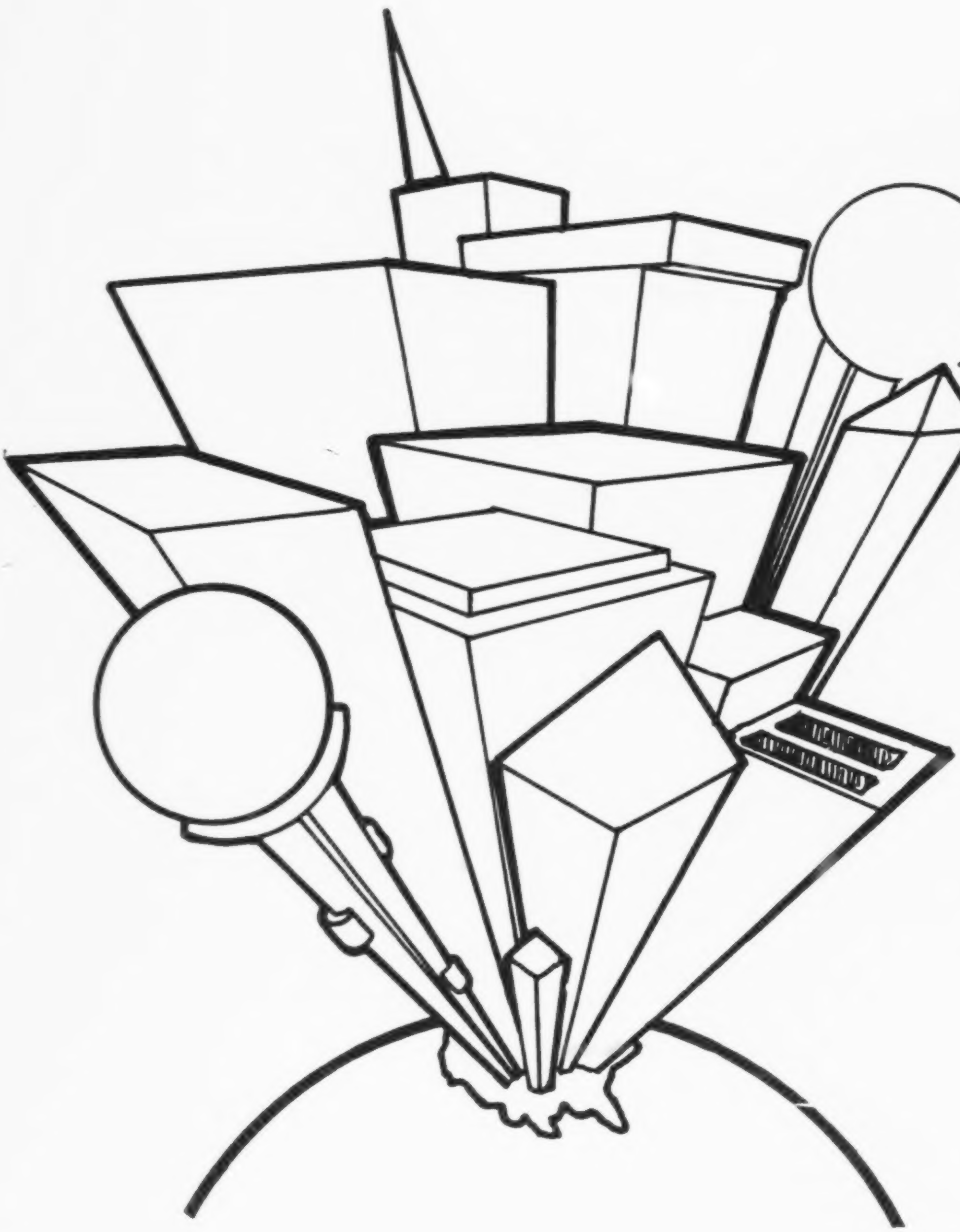
Natural Resources

Countries must produce
goods and services.

People have many
needs and wants.

People must work to get
what they want and need.

ENTREPRENEURS HELP AMERICA TO GROW



TM-6

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

ACTIVITY SHEET 4--AMERICAN ENTREPRENEURS

A. List four ways in which all economic systems are alike.

1.

2.

3.

4.

B. Place a " ✓" by each true statement.

____ 1. Entrepreneurs want to be economically free.

____ 2. Entrepreneurs want to be economically efficient.

____ 3. Entrepreneurs want to be able to grow economically.

____ 4. Entrepreneurs want to be economically secure.

____ 5. Entrepreneurs want to be justly treated economically.

ACTIVITY

UNIT II

ENTREPRENEURSHIP AND FREE ENTERPRISE

ACTIVITY SHEET 5--AMERICAN ENTREPRENEURS

Directions: Complete the following statements by circling the letter beside the correct answer.

1. The government uses
   - a. the products and services of entrepreneurs
   - b. entrepreneurs to get what it wants
   - c. entrepreneurs to stop monopolies
2. The following are examples of services the government provides for entrepreneurs.
   - a. Highways
   - b. Law enforcement
   - c. Taxes
   - d. a and b
   - e. none of the above
3. Monopolies
   - a. are allowed sometimes
   - b. are special types of entrepreneurships
   - c. are not allowed
   - d. help protect free enterprise
4. Entrepreneurs help America to grow by
   - a. bringing new products into the market place
   - b. building more buildings
   - c. using up all of the natural resources
   - d. making more people rich
5. Entrepreneurs help the economy to grow by
   - a. spending their money on other products and services
   - b. getting people out of big businesses
   - c. saving their money
   - d. a and c
6. Anyone can become an entrepreneur
   - a. except people who do not speak English
   - b. except people who are handicapped in some way
   - c. except people who have not finished high school
   - d. all of the above are false

7. An entrepreneur's economic goals

   a. can be reached in the American free enterprise system
   b. are no one else's concern
   c. are not worth reaching
   d. cannot be reached in the American free enterprise system

8. Everyone should use the American free enterprise system

   a. to reach his/her economic goals
   b. to become an entrepreneur
   c. as a way of meeting people
   d. none of the above

9. Many people in America

   A. are entrepreneurs
   B. do not like to go into business for themselves
   C. think that the American free-enterprise system cannot help them reach their economic goals
   D. are told what to do by the government

10. Entrepreneurships help entrepreneurs to use all of their

    A. organizing skills
    B. communication skills
    C. decision-making skills
    D. all of the above

ENTREPRENEURSHIP AND FREE ENTERPRISE

UNIT TEST--PART 1

Match the terms with their definitions by placing the correct letter in the blanks at the left.

____ 1. Free enterprise economic system
____ 2. Profit
____ 3. Competition
____ 4. Economically just
____ 5. Industrial
____ 6. Economically efficient
____ 7. Financial
____ 8. Agrarian
____ 9. Economically secure
____10. Economic system

a. having to do with the land
b. having to do with the machines
c. struggling against another person or business
d. how a government goes about meeting the economic needs of the country
e. making the best use of time, money, and people
f. being treated fairly financially
g. knowing that your financial needs will be taken care of
h. having to do with money
i. an economic system where the people, not the government, own the businesses
j. the money left over after all the bills have been paid

ENTREPRENEURSHIP AND FREE ENTERPRISE

UNIT TEST--PART 2

Answer the following statements true or false by placing a T for true or an F for false in the blanks at the left.

____ 1. A person can start a business in any country.

____ 2. Some governments decide what businesses can be started.

____ 3. In America, anyone can start his/her own business.

____ 4. America has a socialist economic system.

____ 5. An agrarian entrepreneur works with machines.

____ 6. Entrepreneurs cannot own land or buildings in America.

____ 7. In a free enterprise economic system, people can buy the products and services they want.

____ 8. Competition is not encouraged in a free enterprise economic system.

____ 9. Entrepreneurs can set the prices for the products and services they sell.

____10. Monopolies are allowed in the American free enterprise economic system.

ENTREPRENEURSHIP AND FREE ENTERPRISE

UNIT TEST--PART 3

A. Circle the number which is not a way in which all economic systems are alike.

1. All economic systems have natural resources.
2. People in all economic systems have many things that they want and need.
3. All economic systems have free enterprise.
4. People in economic systems must work to get what they want and need.

B. List three things entrepreneurs want.

1.
2.
3.

C. List two services the government provides for entrepreneurs.

1.
2.

D. List one way entrepreneurs help America to grow.

E. Bonus Question:

Who in America cannot be an entrepreneur?

UNIT III

BECOMING AN ENTREPRENEUR

UNIT OBJECTIVE

After completing this unit of instruction, the student will be able to identify five traits of entrepreneurs, know the meaning of self-appraisal, and recognize that the entrepreneur is his/her business' greatest asset. The knowledge will be evidenced through demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit, the student will:

1. Define trait
2. Explain that entrepreneurs have different traits
3. Explain how the traits of an entrepreneur help to make a business successful
4. Define self-appraisal
5. Be able to identify three questions that an entrepreneur would ask him/herself in the self-appraisal process
6. Explain how self-appraisal will assist the individual in becoming an entrepreneur

UNIT III

BECOMING AN ENTREPRENEUR

NOTES TO THE INSTRUCTOR

I. Objective sheet

  A. Discuss the unit objective with the students.

  B. Discuss each specific objective.

  C. Have the students complete the objectives in a sequence best suited to your classroom.

  D. Add any objective necessary to meet fully the needs of the students.

II. Information and Activity Sheets

(NOTE: Help promote learning readiness by discussing with the students the importance of self-awareness. Entrepreneurship requires the business owner to play many roles. By knowing one's strengths and weaknesses, the entrepreneur can help to make his/her business a success. Explain that now is the time to begin developing the traits of an entrepreneur. The students can begin thinking and acting like entrepreneurs before they actually begin the business. The traits of an entrepreneur are appropriate goals for one's personality, regardless of the desire to become an entrepreneur. Perhaps many of your students have innate entrepreneural talents.)

  A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

    1. Explain that many of the terms in this unit refer to the traits of an entrepreneur.

    2. Use ACTIVITY SHEET 1--WORD FIND to reinforce this area of instruction.

(NOTE: The sentences used within the word find are complex. Use this difficulty to reinforce the meaning of the words or have the students write sentences using these words.)

  B. INFORMATION SHEET 2--TRAITS OF ENTREPRENEURS

    1. Explain that entrepreneurs have many traits.

    2. Explain that an entrepreneur may have one dominant trait or something at which he/she is exceptionally skillful.

    3. Explain that not all entrepreneurs have the same traits.

    4. Use TM 1--ENTREPRENEURS WITH DIFFERENT TRAITS to reinforce this area of instruction.

5. Explain that an entrepreneur may have a weak trait and may wish to find someone who is strong in that trait to help in the business.

6. Use TM 2--ENTREPRENEURS MAY USE OTHERS to reinforce the idea of utilizing the abilities of others.

7. Review the various traits of entrepreneurs.

   a. USE TM 3--SELF STARTER to reinforce trait A.

   b. USE TM 4--LEADERSHIP to reinforce trait C.

   c. USE TM 5--APPROPRIATE RISK to reinforce trait L.

   d. USE TM 6--SELF-CONFIDENCE to reinforce trait P.

   e. USE TM 7--FLEXIBILITY to reinforce trait Q.

8. Use ACTIVITY SHEET 2--TRAITS OF ENTREPRENEURS to reinforce this area of instruction.

9. Use ACTIVITY SHEET 3--UNDERSTANDING YOUR TRAITS to help students identify their traits.

   (NOTE: Explain that Activity Sheet 3 has no right or wrong answers and that the students should be honest in completing the assignment. The results will be shared with only those members of the class they choose.)

C. INFORMATION SHEET 3--SELF-APPRAISAL

1. Explain that knowing one's strengths and weaknesses will help the chosen business to be successful.

2. Discuss some of the questions that a person may ask him/herself as the self-appraisal process begins.

3. Encourage students to begin their own self-appraisal and to begin developing the traits of an entrepreneur.

4. Use TM 8--ENTREPRENEURS AND THEIR BUSINESSES to reinforce this area of instruction.

5. Use ACTIVITY SHEET 4--SELF-APPRAISAL to help reinforce this area of instruction.

6. Use ACTIVITY SHEET 5--FANTASY LAND as a way of encouraging students to begin seriously considering entrepreneurship as a vocational alternative.

   (NOTE: Fantasy or imagery can be a good tool in helping student to reach various goals. A task of education is to help direct those mental images. For the disadvantaged, handicapped, and limited English proficient student, the internal vision of being successful in his/her own business can be an excellent rehabilitation as well as motivating tool.)

III. Answers To Activity Sheets

IV. Unit Test

A. The test is divided into three parts.

1. Each part covers one Information Sheet.

2. Each part uses various methods of testing.

B. Various approaches may be used in testing.

1. Give each part of the test after the student has completed the information in one information area or sheet.

2. Give the entire test upon completion of all the Information and Activity Sheets.

3. Give one or several parts of the test as an additional assignment to reinforce problem areas of learning.

C. Add test parts corresponding to any information areas or sheets added to the unit.

V. Answers to Unit Tests

A. Answers are based on total information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

IV. References and Resources

A. Ashmore, M. Catherine and Sandra G. Prite. "Determining Your Potential As an Entrepreneur." Program for Acquiring Competence in Entrepreneurship, Unit 2, Level 1.; Columbia, OH: The National Center For Research in Vocational Education, Ohio State University. ED. 228 480.

B. Hendrix, Mary W. Self-Appraisal Instructional Guide. Commerce, TX: Occupational Curriculum Laboratory, East Texas State University, 1984.

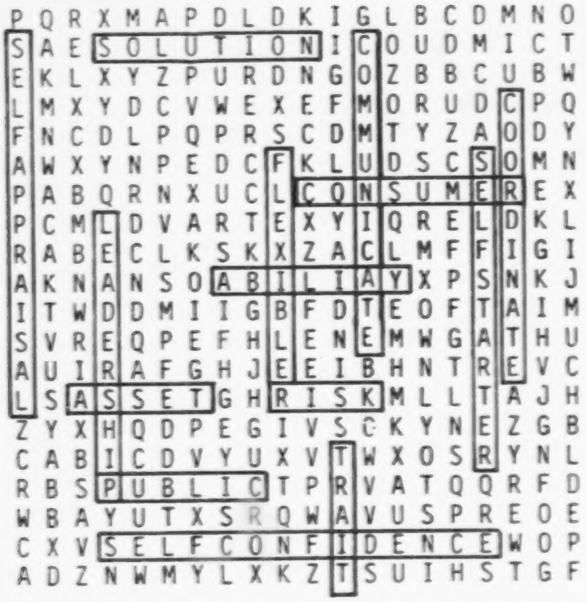
C. Persons, Edgar. A. "Be Your Own Boss: Introducing Entrepreneurship." Professional Development Series, No. 5. Arlington, VA: American Vocational Association, Inc.: ED 212 888.

UNIT III

BECOMING AN ENTREPRENEUR

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1



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P Q R X M A P D L D K I G L B C D M N O
S A E S O L U T I O N I C O U D M I C T
E K L X Y Z P U R D N G O Z B B C U B W
L M X Y D C V W E X E F M O R U D C P Q
F N C D L P Q P R S C D M T Y Z A O D Y
A W X Y N P E D C F K L U D S C S O M N
P A B Q R N X U C L C O N S U M E R E X
P C M L D V A R T E X Y I Q R E L D K L
R A B E C L K S K X Z A C L M F F I G I
A K N A N S O A B I L I A Y X P S N K J
I T W D D M I I G B F D T E O F T A I M
S V R E Q P E F H L E N E M W G A T H U
A U I R A F G H J E E I B H N T R E V C
L S A S S E T G H R I S K M L L T A J H
Z Y X H Q D P E G I V S C K Y N E Z G B
C A B I C D V Y U X V T W X O S R Y N L
R B S P U B L I C T P R V A T Q Q R F D
W B A Y U T X S R Q W A V U S P R E O E
C X V S E L F C O N F I D E N C E W O P
A D Z N W M Y L X K Z T S U I H S T G F
```

1. Communicate, public
2. Self-confidence, risk
3. Self-appraisal
4. Solution, coordinate
5. Self-starter, trait, asset
6. Energy
7. Consumer, flexible
8. Ability

ACTIVITY SHEET 2

A. 1. T
   2. F
   3. F
   4. T
   5. T

B.		
1. ✓	6.	
2. ✓	7. ✓	
3. ✓	8.	
4.	9. ✓	
5. ✓	10. ✓	

ACTIVITY SHEET 3

Evaluated to the satisfaction of the instructor

ACTIVITY SHEET 4

A. Evaluated to the satisfaction of the instructor

B. 1. ✓
2. ✓
3.
4. ✓
5.
6. ✓
7. ✓

C. Evaluated to the satisfaction of the instructor

ACTIVITY SHEET 5

Evaluated to the satisfaction of the instructor

UNIT III

BECOMING AN ENTREPRENEUR

ANSWERS TO UNIT TEST

PART 1

1. c
2. a
3. b
4. c
5. c
6. a
7. c
8. b
9. a
10. a

PART 2

A. 1,2,4

B. Any five of the following

1. is a self-starter
2. likes people
3. possesses leadership ability
4. completes work
5. works hard to reach goals
6. makes plans before starting a job
7. makes quick decisions
8. is trustworthy
9. follows through on decisions
10. has a lot of energy
11. is independent
12. takes risk
13. likes responsibility
14. communicates well
15. has self-confidence
16. is flexible

PART 3

1. a
2. b
3. a
4. a
5. b
6. a
7. b
8. b
9. b
10. a

UNIT III

BECOMING AN ENTREPRENEUR

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Ability--the power or means to do something
2. Asset--that which has a positive value or benefit to a business
3. Communicate--to share one's thoughts and opinions with someone else
4. Consumer--one who uses the products and services of the entrepreneur
5. Coordinate--to put together different parts
6. Energy--the ability to do some action
7. Flexible--the ability to change the direction one is going
8. Independent--not needing the constant support of someone else
9. Leadership--the ability to direct the actions of others
10. Public--any group of people who share a common interest
11. Risk--the chance or possibility of losing something
12. Self-appraisal--to evaluate or judge oneself
13. Self-confidence--a belief in oneself and/or one's abilities
14. Self-starter--a person who does not need the prompting of another to perform a task
15. Solution--a way of correcting a problem
16. Trait--a characteristic or an aspect that sets one apart as different from others

BECOMING AN ENTREPRENEUR

ACTIVITY SHEET 1--WORD FIND

Complete each of the following sentences with the word or words which best completes the sentence. Find the word in the word find below.

solution
self-appraisal
self-confidence
public
asset
risk
trait
energy
ability
flexible
consumer
communicate
self-starter
coordinate

```
P Q R X M A P D L D K I G L B C D M N O
S A E S O L U T I O N I C O U D M I C T
E K L X Y Z P U R D N G O Z B B C U B W
L M X Y D C V W E X E F M O R U D C P Q
F N C D L P Q P R S C D M T Y Z A O D Y
A W X Y N P E D C F K L U D S C S O M N
P A B Q R N X U C L C O N S U M E R E X
P C M L D V A R T E X Y I Q R E L D K L
R A B E C L K S K X Z A C L M F F I G I
A K N A N S O A B I L I A Y X P S N K J
I T W D D M I I G B F D T E O F T A I M
S V R E Q P E F H L E N E M W G A T H U
A U I R A F G H J E E I B H N T R E V C
L S A S S E T G H R I S K M L L T A J H
Z Y X H Q D P E G I V S O K Y N E Z G B
C A B I C D V Y U X V T W X O S R Y N L
R B S P U B L I C T P R V A T Q Q R F D
W B A Y U T X S R Q W A V U S P R E O E
C X V S E L F C O N F I D E N C E W O P
A D Z N W M Y L X K Z T S U I H S T G F
```

1. In order for the business to run properly, we must ________________ directly with the ________________.

2. The entrepreneur showed much ____________ ______________ in taking such a ______________.

3. ____________ ______________ is important for the entrepreneur; it helps him/her to understand his/her economic goals.

4. Lynn's ____________ to the problem was to ________________ the building of the house with Marty.

5. The entrepreneur believed that being a ___________ _____________ was an important _______________ and _____________ to posses.

6. Everyone marveled at the entrepreneur's ______________ level.

7. Sometimes the _______________ is more _____________ than the entrepreneur.

8. The _______________ of the entrepreneur to communicate with the consumer was an asset to the business.

BECOMING AN ENTREPRENEUR

INFORMATION SHEET 2--TRAITS OF ENTREPRENEURS

I. Entrepreneurs have many traits that help make their businesses successful.

   A. Not all entrepreneurs have the same traits.

   B. They will be strong in some traits and weak in others.

   C. Entrepreneurs can make their weak traits stronger.

      1. By knowing their weak areas

      2. By talking to others who have strong traits

      3. By doing jobs that use the weak traits

   D. An entrepreneur may not want to make his/her weak traits stronger.

      1. A business partner may be strong in that area.

      2. Someone can be hired who is strong in that area.

II. Traits of Entrepreneurs

   A. Entrepreneurs are self-starters.

      1. Entrepreneurs do not need to be told over and over what to do.

      2. They have goals to reach.

      3. Entrepreneurs are often working when other people have stopped.

   B. Entrepreneurs like people.

      1. The buying and selling of products depends on how well the entrepreneur gets along with others.

      2. Entrepreneurs who do not like working with the public will not have a successful business.

      3. Entrepreneurs help consumers to get what they want.

      4. Consumers go to entrepreneurs to get what they want.

   C. Entrepreneurs have leadership traits.

      1. Entrepreneurs have ideas about how to do something.

      2. They can get other people to believe in their ideas.

      3. Entrepreneurs communicate well with other people.

4. Entrepreneurs are able to coordinate many activities in order to perfect a task.

D. Entrepreneurs like to see work finished.

1. They may work long hours to finish a job.

2. Entrepreneurs know that a job that is never finished will not help them to get other work.

3. They can take pride in a job that is completed.

E. Entrepreneurs work hard to reach their goals.

1. They are persistent.

2. Entrepreneurs believe that working hard will help obtain their goals.

F. Entrepreneurs make plans before starting a job.

1. They are economically efficient.

2. Entrepreneurs do not like to waste time.

3. They like to see work completed.

G. Entrepreneurs can make quick decisions that are wise.

1. A quick decision that is wise may help an entrepreneur to get a job.

2. An unwise quick decision may keep an entrepreneur from getting a job.

3. Entrepreneurs make wise decisions because:

a. They have a plan.

b. They have an economic goal.

c. They know what they want.

d. They know what they can do.

H. Entrepreneurs can be trusted.

1. Because they live in the community

(NOTE: An entrepreneur may work or sell products to people whom he/she knows. Because the entrepreneur is accessable, he/she must be able to be trusted.)

2. Because they complete the jobs that are started.

3. Because they work hard.

4. Because they are economically just in their dealings with the people.

I. Entrepreneurs follow through on their decisions.

1. They complete a task that has been started.

2. People trust entrepreneurs to do what they say they will do.

3. Other people depend upon the entrepreneur.

a. Consumers

b. Employees

c. Family

J. Entrepreneurs have much energy.

1. Entrepreneurs often work many hours.

2. Entrepreneurs work with many people.

3. Entrepreneurs do many types of jobs during the day.

a. Physical work

b. Public relations

c. Making decisions

K. Entrepreneurs are independent.

1. They often work by themselves.

2. Entrepreneurs may not have the support of friends and family in their work.

3. Entrepreneurs are excited about what they can do in their own business.

L. Entrepreneurs take risks.

1. Entrepreneurs do not know if their businesses will succeed.

2. They may spend much money and not make any profit.

3. Entrepreneurs believe that if a person does not take a risk he/she can never know what might be achieved.

M. Entrepreneurs like responsibility.

1. Entrepreneurs like working for themselves.

2. They like making decisions.

3. Entrepreneurs like knowing that the success or failure of a business depends on their abilities.

INFORMATION

    4. They have more faith in their own abilities than in someone else's.

O. Entrepreneurs communicate well with others.

    1. They know that the success of their business depends upon others buying their products and/or services.

    2. Entrepreneurs need the support of others to help finance the business.

    3. Entrepreneurs may have partners with whom they must get along.

P. Entrepreneurs have self-confidence.

    1. They believe in themselves.

    2. Entrepreneurs believe in their business.

    3. Entrepreneurs know that even if a business fails they will have learned or gained a valuable experience.

    (NOTE: An entrepreneur's self-confidence may be low when he/she first starts the business. There are always doubts. Entrepreneurs take risks, work hard, and help their business to succeed. Entrepreneurs' self-confidence grows.)

Q. Entrepreneurs are flexible.

    1. An entrepreneur may need to change his/her plans in order to help the business grow.

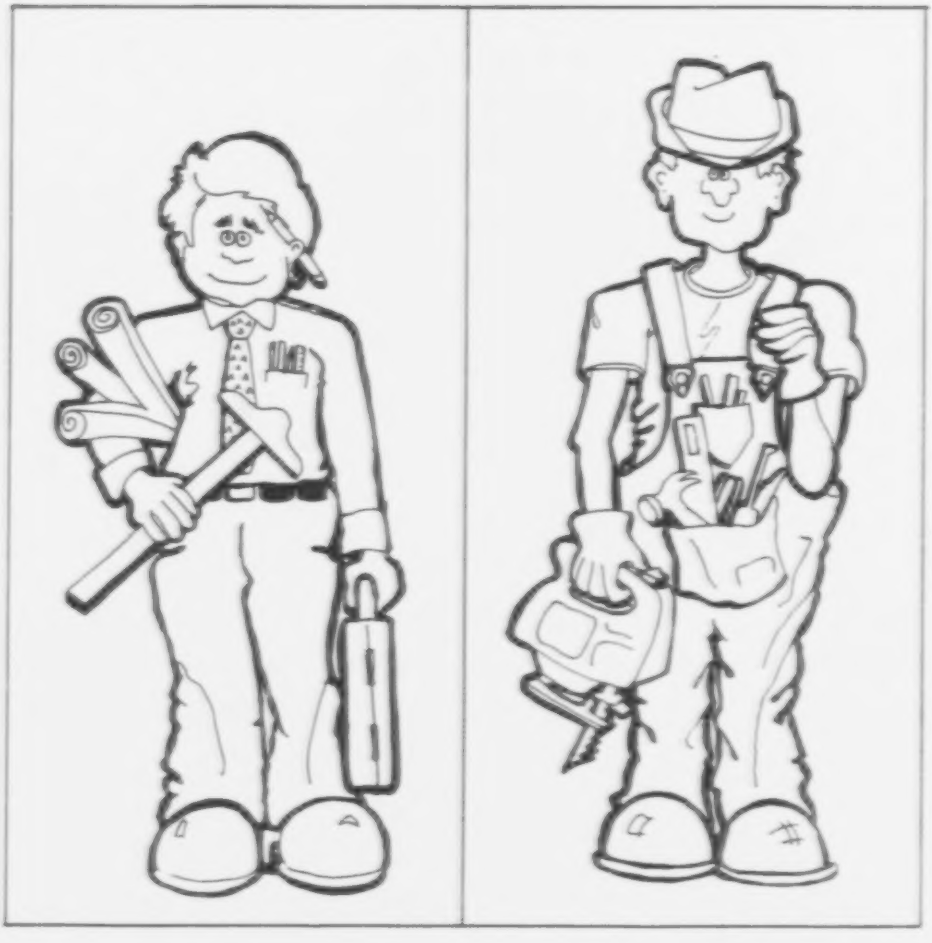
    2. Entrepreneurs look at many solutions to their problems.

    3. They realize that other people may know how to do something better.

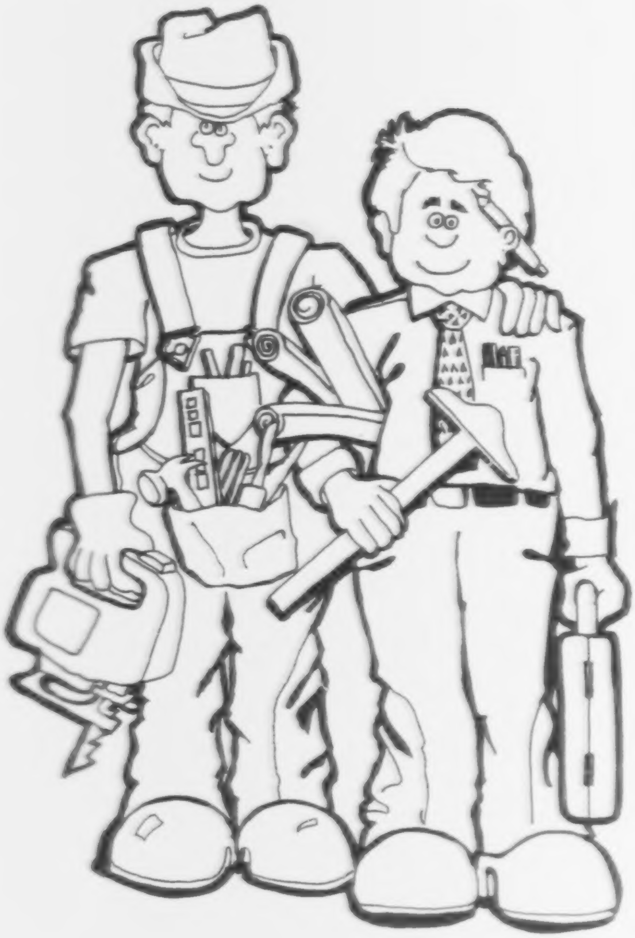
    4. Entrepreneurs can choose the best way to do something, even if it is different from how they want to do it.

BEST COPY AVAILABLE

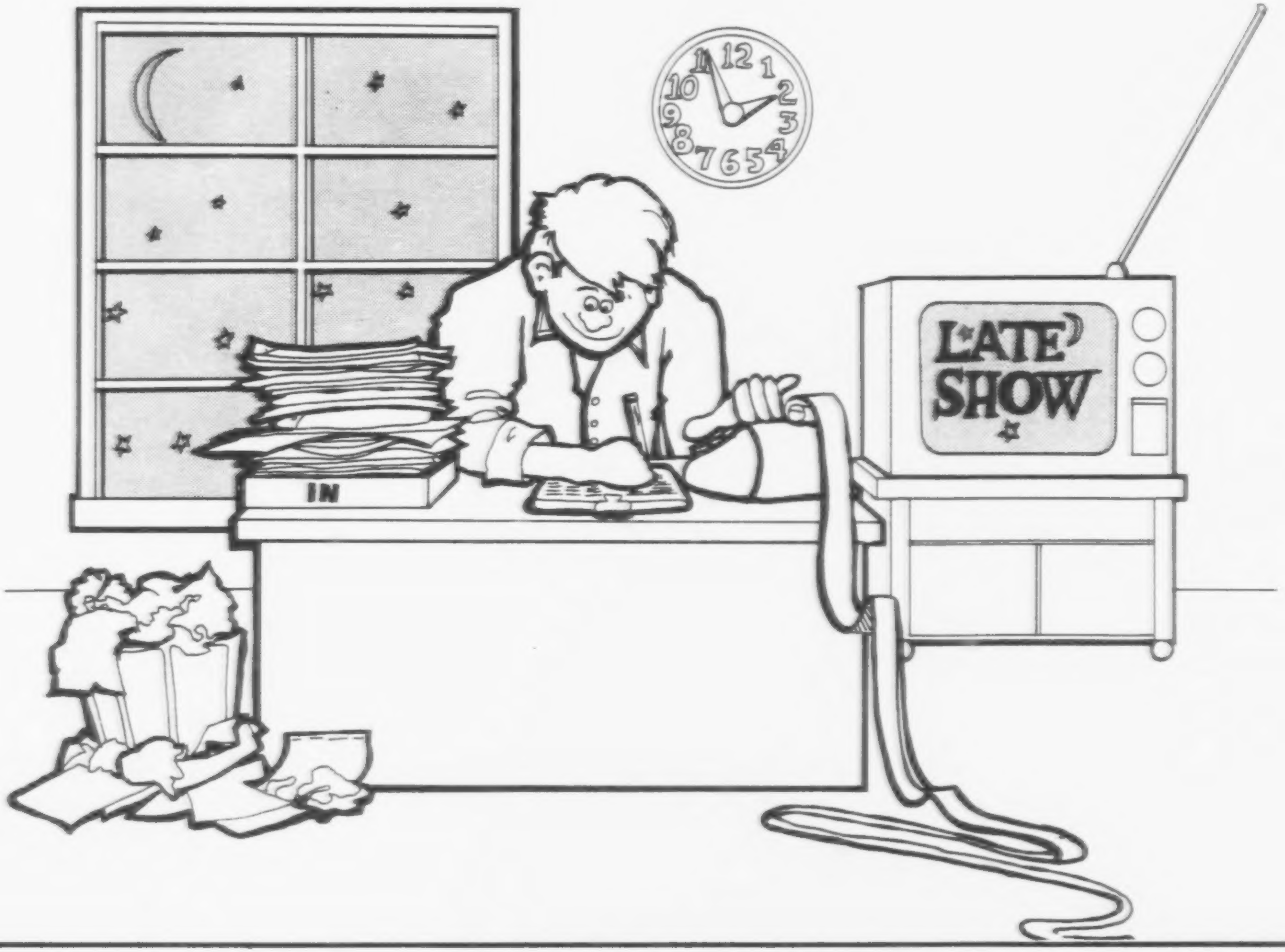
THERE ARE ENTREPRENEURS WITH DIFFERENT TRAITS



ENTREPRENEURS MAY USE OTHERS



ENTREPRENEURS ARE SELF-STARTERS


12
1
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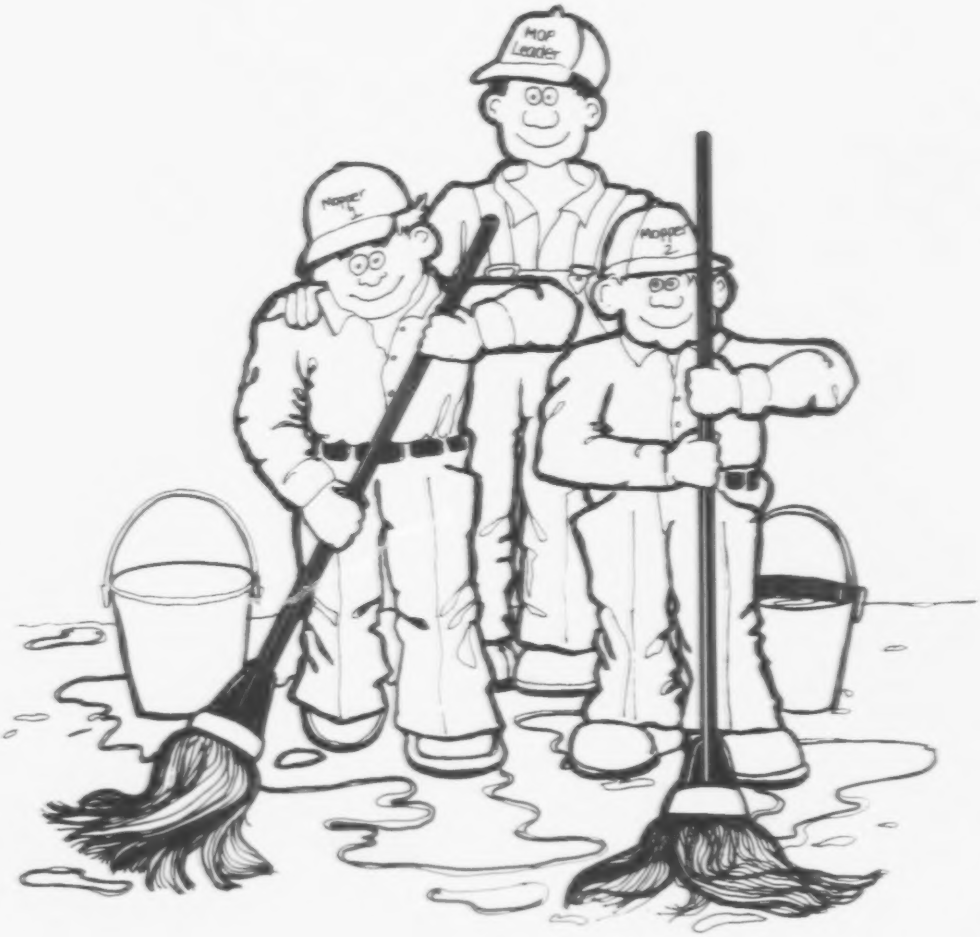
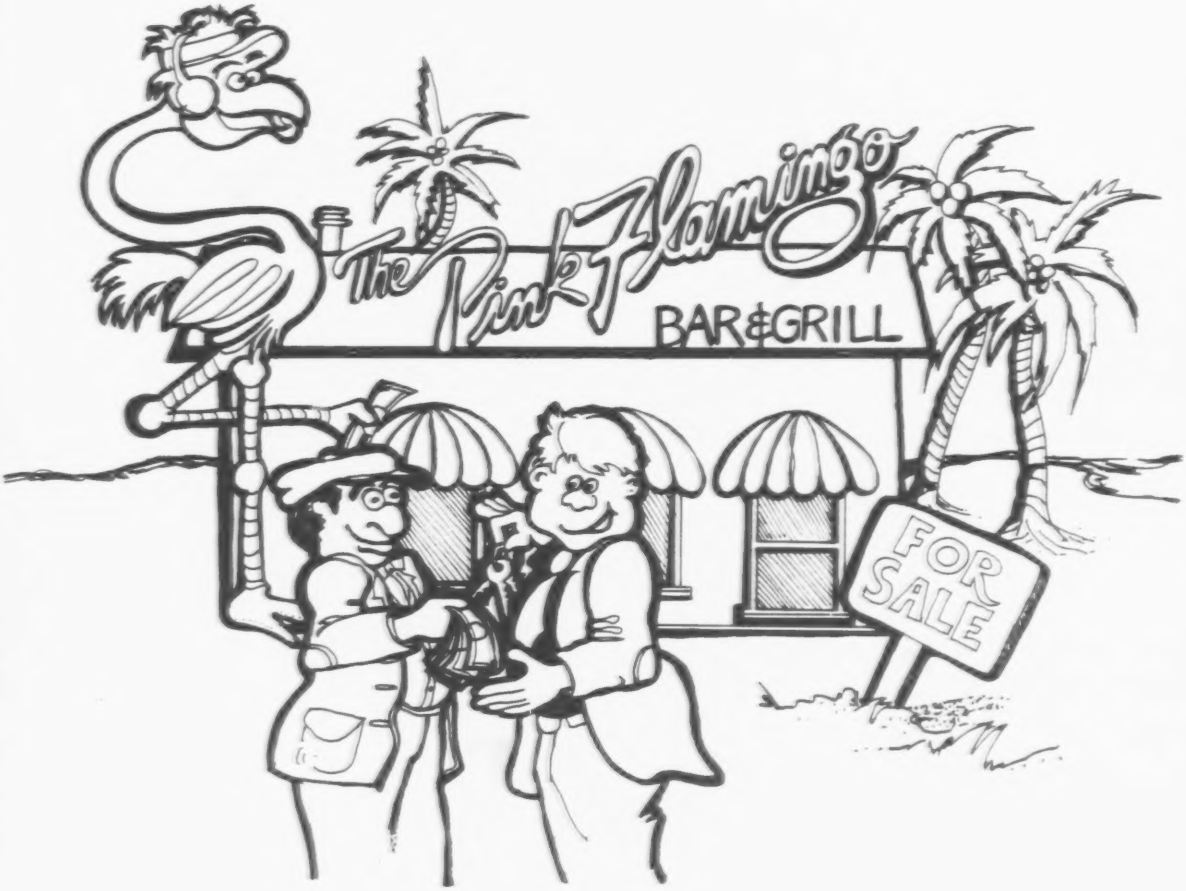
IN
LATE SHOW

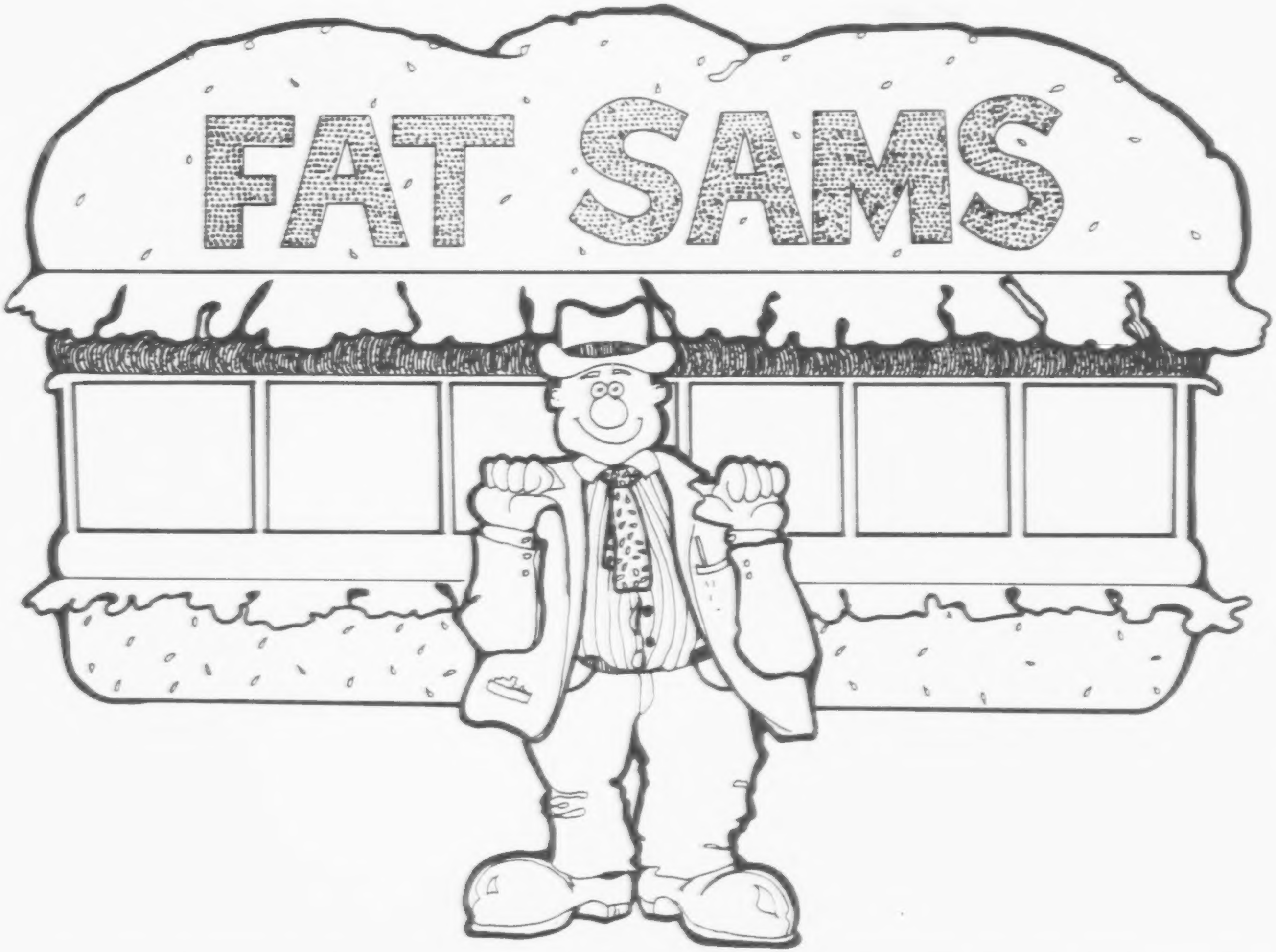
ENTREPRENEURS HAVE LEADERSHIP TRAITS


MOP Leader
MOPPER 1
MOPPER 2

ENTREPRENEURS TAKE APPROPRIATE RISKS

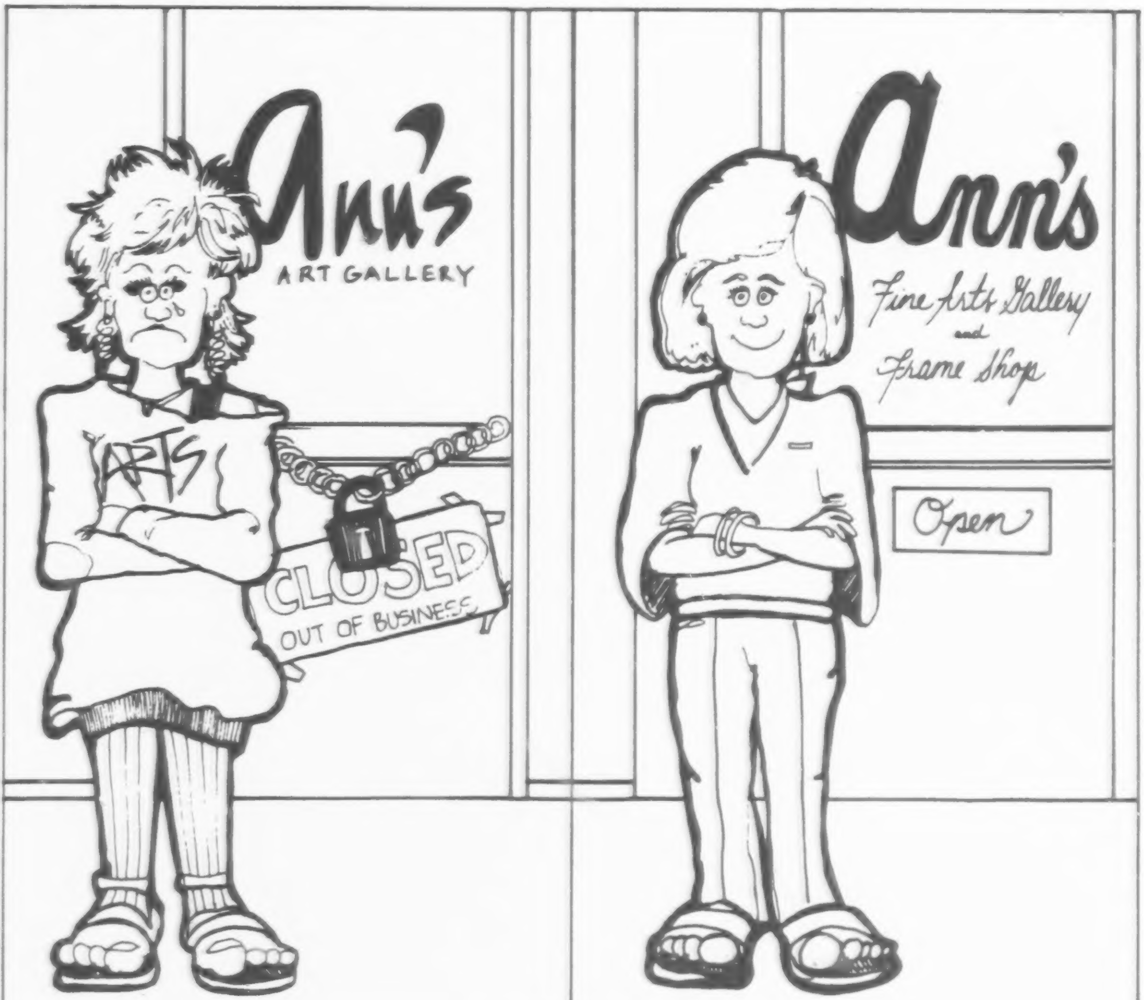

The Pink Flamingo
BAR&GRILL
FOR SALE

ENTREPRENEURS HAVE SELF-CONFIDENCE



TM-6

ENTREPRENEURS HAVE FLEXIBILITY


Ann's
ART GALLERY
ARTS
CLOSED
OUT OF BUSINESS
Ann's
Fine Arts Gallery
and
Frame Shop
Open

TM-7

UNIT III

BECOMING AN ENTREPRENEUR

ACTIVITY SHEET 2--TRAITS OF ENTREPRENEURS

A. Directions: Answer the following statements True or False by placing a T for True or an F for False in the space at the left.

_____ 1. Entrepreneurs have many traits that help make their businesses successful.

_____ 2. All entrepreneurs have the same traits.

_____ 3. Entrepreneurs will be strong in all traits.

_____ 4. There are ways in which entrepreneurs can make their weak traits stronger.

_____ 5. An entrepreneur may not want to make his/her traits stronger.

B. Place a check mark in the blank beside each statement that is a trait of entrepreneurs.

_____ 1. Entrepreneurs are self-starters.

_____ 2. Entrepreneurs like people.

_____ 3. Entrepreneurs have leadership abilities.

_____ 4. Entrepreneurs do not mind if work is not completed.

_____ 5. Entrepreneurs work hard to reach their goals.

_____ 6. Entrepreneurs do not plan their work.

_____ 7. Entrepreneurs can be trusted.

_____ 8. Entrepreneurs never take risks.

_____ 9. Entrepreneurs communicate well with others.

_____10. Entrepreneurs are flexible.

BECOMING AN ENTREPRENEUR

ACTIVITY SHEET 3--UNDERSTANDING YOUR TRAITS

Answer the following statements YES if the statement is something you do or NO if the statement is something you do not do by placing a check mark in the space to the right of each statement. There are no right or wrong answers.

YES NO

1. I often do things on my own. ____ ____
2. I finish a job if I start it. ____ ____
3. I can get people to do what I want. ____ ____
4. People often give me things to do. ____ ____
5. I like to know how I am going to do something. ____ ____
6. I enjoy being with other people. ____ ____
7. I hate to sit and do nothing. ____ ____
8. People do not need to tell me what to do. ____ ____
9. If I tell a person I am going to do something, I will. ____ ____
10. I enjoy working by myself. ____ ____
11. People listen to what I have to say. ____ ____
12. Even if other people are present, I am usually asked to run some errand. ____ ____
13. I work hard to get what I want. ____ ____
14. Sometimes I take chances to get what I want. ____ ____
15. People like being around me. ____ ____
16. I like having to be responsible for a job. ____ ____
17. I think fast. ____ ____
18. I enjoy doing quality work. ____ ____
19. When I talk with others, they can understand what I am saying. ____ ____
20. Give me a job to do, and I will get it done. ____ ____
21. I believe in the old saying, "Nothing ventured, nothing gained." ____ ____
22. I am able to put into words what I'm thinking and feeling. ____ ____

23. The best way to reach my goals is to work hard. ______ ______
24. Whatever job I decide to do, I will be good at it. ______ ______
25. People depend upon me to do what I say. ______ ______
26. If I come across a problem, I will look at all alternatives. ______ ______
27. I often do things for other people. ______ ______
28. People sometimes think I am conceited. ______ ______
29. I hate to waste time. ______ ______
30. I believe it is important to listen more than you talk. ______ ______
31. Give me a job to do and let me do it. ______ ______
32. I seldom have more than a couple of jobs or activities going at once. ______ ______
33. I would rather be working than watching TV. ______ ______
34. I usually make the right decisions. ______ ______
35. I believe everyone should be treated fairly. ______ ______
36. I can find something to do, even if I am bored. ______ ______
37. Sometimes I have to admit I was wrong. ______ ______
38. Knowing what I want helps me to make a decision. ______ ______
39. I plan my work before I start. ______ ______
40. I believe I can learn something in every situation. ______ ______
41. I think I can do a better job than others. ______ ______
42. I work well with others and can get projects completed. ______ ______
43. Sometimes I would rather work than eat. ______ ______
44. I am responsible to do what I say I will do. ______ ______
45. There are many things that I what to do. ______ ______
46. There are times when I must turn to others for help. ______ ______
47. Sometimes people get in my way. ______ ______
48. I get my work finished on time. ______ ______

BECOMING AN ENTREPRENEUR

KEY TO ACTIVITY SHEET 3--UNDERSTANDING YOUR TRAITS

1. If you answered yes to questions 1, 18, and 36, you may be a self-starter.
2. If you answered yes to questions 6, 15, and 27, you may like people.
3. If you answered yes to questions 3, 11, and 42, you may be a leader.
4. If you answered yes to questions 2, 32, and 48, you may like to see work completed.
5. If you answered yes to questions 45, 13, and 23, you may work hard to reach goals.
6. If you answered yes to questions 5, 29, and 39, you may make plans before starting a job.
7. If you answered yes to questions 17, 34, and 38, you may have an ability to make quick decisions.
8. If you answered yes to questions 4, 12, and 35, you may be trusted by others.
9. If you answered yes to questions 9, 25, and 49, you may follow through on your decisions.
10. If you answered yes to questions 7, 33, and 43, you may have much energy.
11. If you answered yes to questions 31, 10, and 47, you may be independent.
12. If you answered yes to questions 14, 21, and 40, you may take risks.
13. If you answered yes to questions 16, 18, and 41, you may like responsibility.
14. If you answered yes to questions 19, 22, and 30, you may communicate well with others.
15. If you answered yes to questions 20, 24, and 28 you may have much self-cofidence.
16. If you answered yes to questions 26, 32, and 46 you may be flexible.

UNIT III

BECOMING AN ENTREPRENEUR

INFORMATION SHEET 3--SELF-APPRAISAL

I. Self-appraisal is important for beginning entrepreneurs.

  A. Knowing your traits or abilities can help you to know your strengths or weaknesses.

  B. Knowing your strengths or weaknesses will help the chosen business to be successful.

    1. Your interest in a certain business does not mean that it will be successful.

    2. You must be able to perform, or find a way to perform, the duties of the new business.

II. Self-appraisal will help you to decide which business to start.

  A. Self-appraisal may be started by asking yourself many questions.

    1. What business do I know the best?

    2. What business am I willing to learn?

    3. What can I add to the business to make it unique or different from those that now exist?

    4. What are my reasons for starting a business?

    5. Am I willing to work long hours to get what I want?

  B. Self-appraisal may involve getting the opinions of others.

    1. What things do other people think that I do well.

    2. Do the reasons I give for starting a business make sense to others?

    (NOTE: You will need to hear what other people say about your abilities in owning a business. One of the real abilities or traits of an entrepreneur, however, is doing what other people think is impossible. You must believe in yourself.)

III. Self-appraisal will help you to evaluate your economic goals.

  A. Do I want to own my own business?

  B. Do I want to be my own boss?

  C. Do I want to make more money?

(NOTE: If the desire to be your own boss or the need to make more money is great enough, you can develop your traits and open a business. Sometimes being treated unjustly economically, having too many bills, or believing that you can do a better job will help encourage you to become an entrepreneur.)

IV. Self-appraisal is important because you are your business' greatest asset.

  A. In a large business, a person can be easily replaced.

  B. In a small business, the business will only be as good as the entrepreneur.

    1. If the entrepreneur is lazy, the business will not run well.

    2. If the entrepreneur does not like other people, the products and services will not be sold.

    3. If the entrepreneur does not make plans, the economic goals will not be met.

V. Self-appraisal will help you to become an entrepreneur.

  A. If you know your strengths, you can use them to start or build up your business.

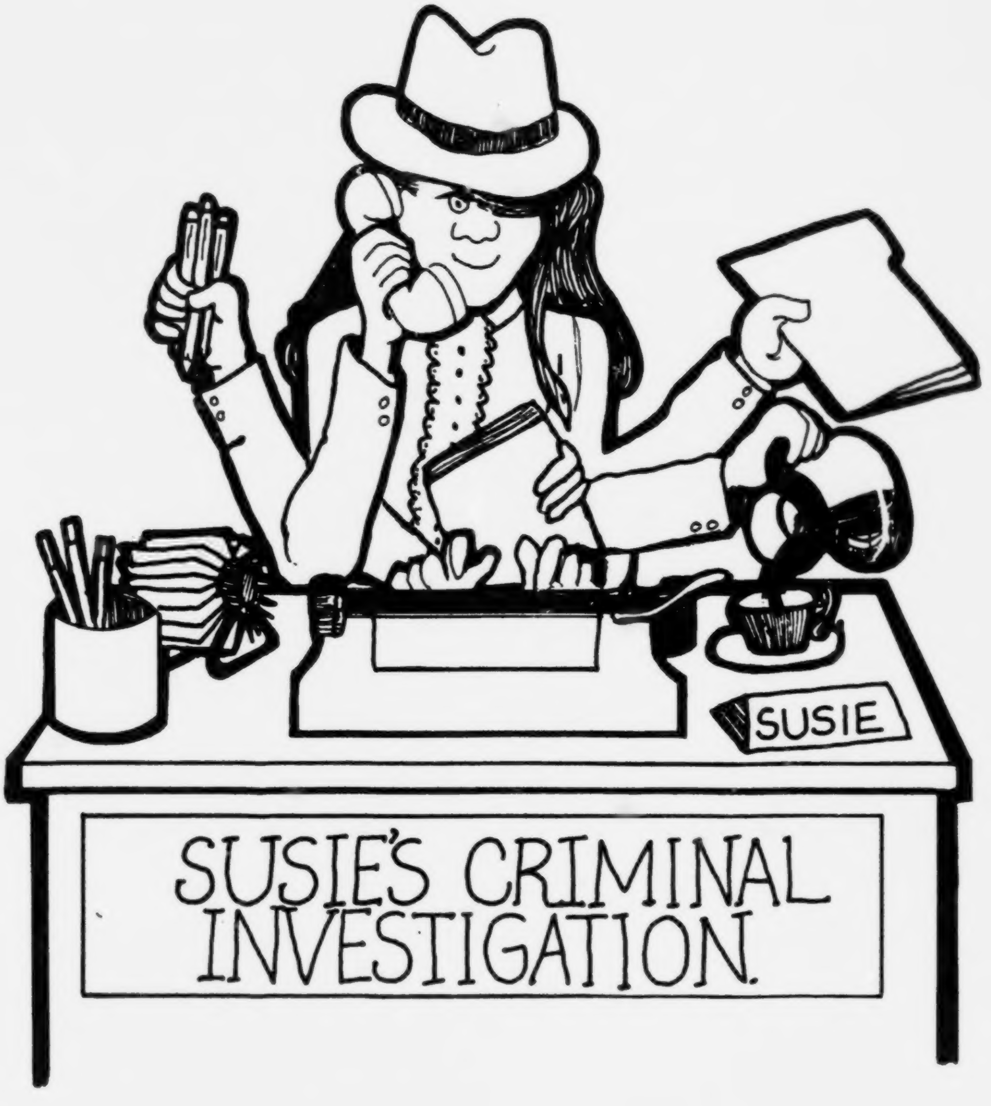
  B. If you know your work traits, you can work to make them strong.

  C. You may want to hire someone who has the strong traits that you do not have.

    1. Someone poor in math can hire someone to keep his/her financial records.

    2. Someone with poor managment skills but who has good ideas may want to hire someone to develop his/her ideas.

"A BUSINESS IS ONLY AS GOOD AS THE ENTREPRENEUR WHO RUNS IT."


SUSIE
SUSIE'S CRIMINAL INVESTIGATION.

TM-8

UNIT III

BECOMING AN ENTREPRENEUR

ACTIVITY SHEET 4--SELF-APPRAISAL

A. If you have completed Activity Sheet 3, answer the following questions. If not, go to B below.

1. What are three of your strenths?

   a.

   b.

   c.

2. How might these strengths help you in your own business?

3. What are three of your weaknesses?

   a.

   b.

   c.

4. How might you make these weaknesses stronger?

ACTIVITY

B. Place a check mark by each true statement.

_____ 1. Knowing your strengths or weaknesses will help the chosen business to be successful.

_____ 2. You must be able to perform, or find a way to perform, the duties of the new business.

_____ 3. Self-appraisal has little to do in deciding which business to start.

_____ 4. Self-appraisal may involve getting the opinions of others.

_____ 5. Self-appraisal does not help you to evaluate your economic goals.

_____ 6. You are your business' greatest asset.

_____ 7. Self-appraisal will help you to become an entrepreneur.

C. How can self-appraisal help you to become an entrepreneur?

(NOTE: You may have the personal traits needed to become an entrepreneur.)

UNIT III

BECOMING AN ENTREPRENEUR

ACTIVITY SHEET 5--FANTASY LAND

Many beginning entrepreneurs daydream about being their own boss or of having more money to reach their economic goals. Daydreams and fantasies often provide the motivation needed to reach our personal goals. In your own place and on your own time, think about having your own business. Can you picture it? What does it look like? What does it feel like to know that you can be a successful entrepreneur?

Many entrepreneurs like to share their dreams with other entrepreneurs. With whom can you share your fantasy?

UNIT III

BECOMING AN ENTREPRENEUR

UNIT TEST--PART 1

Read the following definitions and select the correct term by placing the letter in the blank.

_____ 1. To share your thoughts and opinions with someone else

a. coordinate
b. risk
c. communicate

_____ 2. One who uses the products and services of the entrepreneur

a. consumer
b. independent
c. public

_____ 3. The ability to direct the actions of others

a. self-confidence
b. leadership
c. coordinate

_____ 4. The ability to change the direction you are going

a. solution
b. coordinate
c. flexible

_____ 5. That which has a positive value or benefit to a business

a. trait
b. leadership
c. asset

_____ 6. Any group of people who share a common interest

a. public
b. consumer
c. students

_____ 7. The chance or possibility of losing something

a. asset
b. solution
c. risk

_____ 8. A characteristic or an aspect that sets you apart as different from others

a. ability
b. trait
c. asset

_____ 9. A way of correcting a problem

a. solution
b. self-appraisal
c. flexibility

_____10. To evaluate or judge yourself

a. self-appraisal
b. self-confidence
c. self-starter

UNIT III

BECOMING AN ENTREPRENEUR

UNIT TEST--PART 2

A. Circle the number beside each true statement.

1. Entrepreneurs have many traits.
2. Entrepreneurs will be strong in some traits and weak in others.
3. Entrepreneurs cannot make their weak traits stronger.
4. An entrepreneur may not want to make his/her traits stronger.
5. All entrepreneurs have the same traits.

B. List five traits of entrepreneurs.

1.
2.
3.
4.
5.

UNIT III

BECOMING AN ENTREPRENEUR

UNIT TEST--PART 3

TEST

For each statement below, choose the phrase which best completes the thought by circling the letter to the left.

1. Self-appraisal

   a. is important for beginnning entrepreneurs

   b. is seldom necessary

2. Knowing your strengths or weaknesses will help the chosen business

   a. to be a failure more quickly

   b. to be successful

3. A person's interest in a certain business

   a. does not mean that it will be successful

   b. guarantees success

4. You must be able to perform, or find a way to perform

   a. the duties of the new business

   b. the traits that you have

5. Self-appraisal may be started by

   a. taking tests

   b. asking yourself many questions

6. Self-appraisal

   a. may involve getting the opinion of others

   b. never involves getting the opinion of others

7. Self-appraisal

   a. is never honest

   b. will help you to evaluate your economic goals

8. In a large business, a person

   a. has job security

   b. can easily be replaced

9. In a small business, the

   a. business will always be a success

   b. business will only be as good as the entrepreneur

10. If you know your strengths

    a. you can work to make them stronger

    b. you can use them to start or build up your business

UNIT IV

STARTING YOUR OWN BUSINESS

UNIT OBJECTIVE

After completion of this unit of instruction, the student will be able to identify several reasons why a person chooses to become an entrepreneur, know the importance of cash flow in entrepreneurships, as well as the importance of obtaining technical assistance in the management of the business. The knowledge will be evidenced by demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit of instruction, the student will:

1. Define key terms associated with starting a business
2. Be able to list four reasons why people choose to become entrepreneurs
3. Be able to list three areas of experience which will help the entrepreneur to be successful
4. Be able to list two places from which the new entrepreneur develops a cash flow for his/her business
5. Be able to identify three reasons why a cash flow is important
6. Know that many new entrepreneurships go out of business because of a poor cash flow
7. Be able to list three ways an entrepreneur can improve his/her cash flow
8. Be able to identify three types of legal business structures
9. Be able to identify five ways in which an entrepreneur can improve his/her chance of being successful
10. Know the importance of technical assistance
11. Be able to identify five sources of technical assistance

UNIT IV

STARTING YOUR OWN BUSINESS

NOTES TO THE INSTRUCTOR

I. Objective Sheet

A. Discuss the unit objective with the students.

B. Discuss each specific objective.

C. Have the students complete the objectives in a sequence best suited to your classroom.

D. Add any objectives necessary to meet fully the needs of the unit and the student.

II. Information and Activity Sheets

(NOTE: While this unit is entitled "Starting Your Own Business," it is not designed to aid the student in actually beginning an entrepreneurship. This unit will cover several key areas that the new entrepreneur will need to consider. As the instructor of this unit, you will need to help some students to understand the function of this unit. While much of the information in this unit may seem repetitive, help the students to understand that they are building upon past knowledge. If earlier units or Information Sheets have been deleted by the instructor, the students should not have any trouble picking up the concepts in this or subsequent units. Activity sheets 3 and 6 begin putting into action some of the concepts covered thus far in this curriculum manual. Help the students to understand that these activities are for the purpose of creating an "imaginary" business, going through some of the same processes that an entrepreneur would encounter. Remind the student that the experiences that they have now may be paving the way for their own business in the future.)

A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Review the terms and definitions with the students.

2. Explain that many of the terms are technical and that the entrepreneur often needs information that goes beyond his/her own area of expertise.

3. Use ACTIVITY SHEET 1--CROSSWORD PUZZLE to reinforce this area of instruction.

B. INFORMATION SHEET 2--HOW ENTREPRENEURS DECIDE WHAT BUSINESS TO START

1. Explain that the decision to open a business depends upon many factors.

2. Help the student to understand that entrepreneurships are not limited to urban areas but may be found in rural places as well.

3. Explain that the business one chooses to begin will dictate the activities of the entrepreneur in the future; if the entrepreneur chooses a business that he/she knows little about, more time will be spent learning about the business.

4. Use ACTIVITY SHEET 2--TRUE OR FALSE to reinforce this area of instruction.

5. Use ACTIVITY SHEET 3--A BUSINESS PLAN to help the student to develop entrepreneural skills.

6. Use TM-1--RURAL ENTREPRENEURSHIPS to reinforce this area of instruction.

C. INFORMATION SHEET 3--ENTRY LEVEL CONSIDERATIONS

1. Explain what the term "entry-level" means.

2. Help the student to understand that, while there are no official entry level requirements for beginning entrepreneurs, several things will help to build a successful entrepreneurship.

3. Explain the importance of cash flow in the operation of a business.

(NOTE: The use of an analogy will help the student to adequately comprehend the importance of cash flow. One such analogy might be something which the student would like to have and the ability to obtain the object on the basis of the money he/she currently has. An allowance, job, etc. might be the student's source of cash flow.)

4. Help the student to understand that just as money is important to get what he/she wants, the entrepreneur must be equally concerned about the cash on hand.

5. Use TM-2--A GOOD CASH FLOW IS IMPORTANT to reinforce this area of instruction.

6. Review the ways in which cash flow can be increased.

7. Review with the student some ways where money can be obtained, such as bank loans, etc.

8. Explain the term "solvent."

9. Review with the student the three forms of business structure.

10. Use TM-3--CHOOSE THE RIGHT BUSINESS STRUCTURE FOR YOUR ENTREPRENEURSHIP to reinforce this area of instruction.

(NOTE: Help the student to understand how each of the business structures can be used to set up a business and to help the entrepreneurship to succeed.)

11. Use ACTIVITY SHEET 4--OFF AND RUNNING to reinforce this area of instruction.

D. INFORMATION SHEET 4--DEVELOPING TECHNICAL ASSISTANCE

1. Many factors help the beginning entrepreneur to be successful; help the student understand these factors.

2. Technical assistance involves using the expertise of others in developing a successful business.

3. Use TM-4--THE WISE ENTREPRENEUR WILL LOCATE GOOD TECHNICAL ASSISTANCE to reinforce this area of instruction.

4. Obtaining technical assistance can be a sign of good managerial skills and not an indication of failure or weaknesses; help the student to understand why this is true.

(NOTE: Asking for help is not an indication of weakness but an index of the strength of a person in being able to recognize where he/she might be weak.)

5. Technical assistance may be needed before and after the opening of a business; discuss with the student when such aid might be needed.

6. There are many sources of technical assistance; help the student to identify these.

7. Use ACTIVITY SHEET 5--GETTING HELP to reinforce this area of instruction.

8. Use ACTIVITY SHEET 6--A BUSINESS PLAN, CONTINUED to reinforce the information covered since Activity Sheet 3.

9. Use ACTIVITY SHEET 7--FINDING HELP to reinforce this area of instruction.

III. Answers to Activity Sheets

IV. Unit Test

A. The test is divided into four parts.

1. Each part covers one Information Sheet

2. Each part uses various methods of instruction.

B. Various approaches may be used in testing.

1. Give each part of the test after the students have completed the information on one Information Sheet.

2. Give the entire test upon completion of the unit.

3. Give one or several parts of the test as an additional assignment or to reinforce the content of the unit.

4. Use the test parts as a take-home, open-book test.

C. Add test parts corresponding to any information areas you add to the unit.

V. Answers to Unit Test

A. Answers are based upon the information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

VI. References and Resources

A. Ashmore, M. Catherine and Pritz, Sandra G. "Obtaining Technical Assistance: PACE Revised Level 1, Unit 4." Research and Development Series No. 240AB4. ED. 228 482.

B. Ballum, Mary. Units of Curriculum in Small Business. The First Edition 1980 Project. Instructor's Manual. St. Paul: Minnesota State Department of Education, Division of Vocational and Technical Education. Developed by Area Vocational-Technical Institute, Red Wing, MN 55066. ED. 232 004.

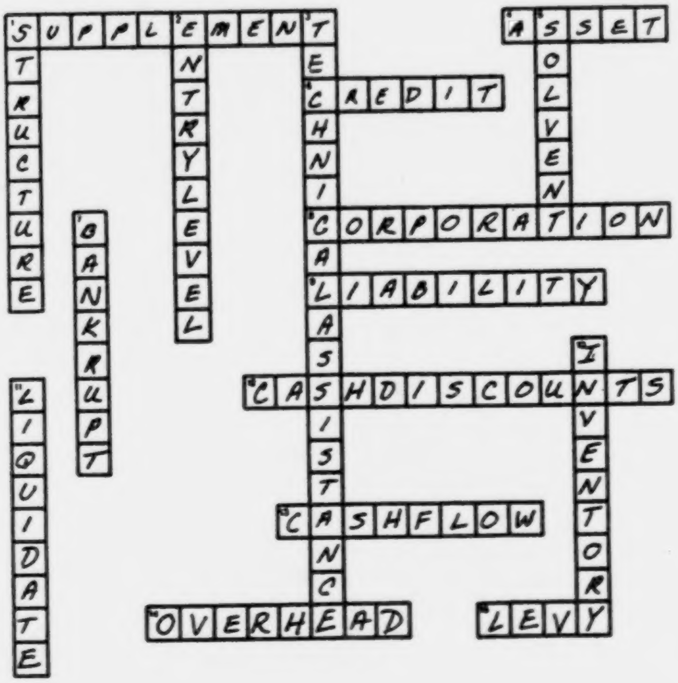
C. Lyon, Barbara Jean. "Business Management and Ownership." Oklahoma State Board of Vocational and Technical Education, Stillwater: Curriculum and Instructional Materials Center, 1982. ED. 229 542.

D. Rowe, Kenneth L. and Hutt, Roger W. "Preparing for Entrepreneurship," Arizona State University, Tempe College of Business Administration. Arizona State Department of Education, Phoenix Division of Vocational Education, 1979. ED. 201 751.

STARTING YOUR OWN BUSINESS

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1


SUPPLEMENT
ASSET
STRUCTURE
ENTRYLEVEL
TECHNICALASSISTANCE
CREDIT
SOLVENT
CORPORATION
LIABILITY
BANKRUPT
CASHDISCOUNTS
INVENTORY
LIQUIDATE
CASHFLOW
OVERHEAD
LEVY

ACTIVITY SHEETS 2

1. ✓
2. ✓
3. ✓
4.
5. ✓
6.
7. ✓
8. ✓
9.
10.

ACTIVITY SHEET 3

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 4

1. Entry level -- the needed requirements for opening a business or the conditions one must meet to begin work

2. No

3. a. ✓
   b. ✓
   c. ✓

4. Cash flow -- the money that is available for company use

5. a. From the business owners
   b. From bank loans

6. The sale of products and services

7. Any three of the following:

   1. To buy inventories
   2. To buy assets such as land and equipment
   3. To help keep the business operating
   4. To pay employees
   5. To develop a credit rating
   6. To get cash discounts

8. Bankrupt -- not being solvent; the inability of the entrepreneur to pay his/her creditors

9. No

10. Get a bank loan

11. Solvent -- able to pay all legal debts.

12. a. sole proprietorship
    b. partnerships
    c. corporations

ACTIVITY SHEET 5

1. Any three of the following:

   a. If the entrepreneur is experienced and successful
   b. If the service or product being offered is unique
   c. If the entrepreneur has enough capital
   d. If the business is well planned before it begins
   e. If the entrepreneur evaluates his/her strengths and weaknesses
   f. If the entrepreneur get technical assistance

2. Any three of the following:

   a. To get insight and advice
   b. To make the service or product better
   c. To raise money needed for the business
   d. To find out how to improve the business

3. No

4. Any three of the following:

   a. Determine where the business is to be located
   b. Determine financial plans
   c. Decide what form of business structure to adopt
   d. As an entry-level requirement

5. Any three of the following:

   a. To help manage finances
   b. To help market the products and services

   c. To help promote sales
   d. To help develop human resources
   e. To help plan protection

6. Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 6

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 7

Evaluated to the satisfaction of the instructor.

UNIT IV

STARTING YOUR OWN BUSINESS

ANSWERS TO UNIT TEST

ANSWERS TO TEST

PART 1

1. b
2. a
3. c
4. c
5. b
6. c
7. a
8. a
9. c
10. b

PART 2

1. T
2. T
3. T
4. F
5. T
6. F
7. F
8. T
9. T
10. F

PART 3

A.
1. b
2. a
3. b
4. b
5. b
6. a
7. a
8. b
9. a
10. a

B. 1. Any three of the following:

- a. To buy inventories
- b. To buy assets such as land and equipment
- c. To help keep the business operating
- d. To pay employees
- e. To develop a credit rating
- f. To get cash discounts

2. Any three of the following:

- a. Reduce waste
- b. Develop good buying habits
- c. Develop good trade credit
- d. Improve inventory controls
- e. Collect accounts (debts)
- f. Do not use the cash on hand
- g. Develop a cash budget

3.
- a. How much you want to borrow
- b. How long you want to borrow the money
- c. How you will repay the loan

4. Any two of the following:

- a. Sole proprietorships
- b. Partnerships
- c. Corporations

C. 1. a
   2. a
   3. b
   4. a
   5. a

PART 4

A. 1. T
   2. F
   3. T
   4. F
   5. T

B. 1. ✓
   2. ✓
   3. ✓
   4. ✓
   5. ✓

C. 1. failure
   2. management skills
   3. grow
   4. before
   5. sources

D. Any five sources should be given credit.

(NOTE: If the student has a knowledge of technical assistance and where he/she can go to find help in the business venture, then one of the main objectives of this unit will have been fulfilled.)

UNIT IV

STARTING YOUR OWN BUSINESS

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Asset--the property of an entrepreneur which may be used to pay debts

2. Bankrupt--not being solvent; unable to pay creditors

3. Business structure--how a business is organized and managed

4. Cash discounts--a lower cost charged to an entrepreneur when products are bought with cash rather than on credit

5. Cash flow--the money that is available for company use

6. Corporation--a business structure in which a group of people make the decisions about how the company will be managed

7. Credit rating--having to do with how much a person or business can be trusted to pay its debts

8. Debt--not having paid someone for something

9. Entry-level--that which is needed to open a business or the place where one must start when opening a business

10. Inventory--a listing of all the material which can be counted as assets

11. Levy--some action taken by order of the law

    (NOTE: To levy a fine against an entrepreneur means that the entrepreneur has a debt which he must pay; if the entrepreneur does not pay the fine, he/she will be breaking the law.)

12. Liability--a debt which the entrepreneur must take care of him/herself

13. Liquidate--to pay off debts by selling the assets of the business

14. Loan package--papers which list the assets and liabilities of an entrepreneur and which help banks to decide the credit rating of the entrepreneur

15. Overhead--an expense of the business that can not be tied to any one piece of work

    (NOTE: Rent paid on a building would be an example of overhead. The rent is not part of the cost of making a product or service.)

16. Solvent--able to pay all legal debts

17. Supplement--to add to something

18. Technical assistance--another person or business that has some type of information which the entrepreneur needs. For example, a lawyer can provide technical assistance about the law

9. A debt which the entrepreneur must take care of him/herself
12. A lower cost charged to an entrepreneur when products are bought with cash rather than on credit
14. An expense of the business that cannot be tied to any one piece of work
15. Some action taken by order of the law

10. A listing of all the materials which can be counted as an asset
11. To pay off debts by selling the assets of the business

STARTING YOUR OWN BUSINESS

INFORMATION SHEET 2--HOW ENTREPRENEURS DECIDE WHAT BUSINESS TO START

I. Many entrepreneurs open a business with which they are familiar.

(NOTE: Is there a business that you know a lot about? What businesses have you worked in or been trained in?)

A. The entrepreneur may have worked within the business.

B. The entrepreneur may have had the business as a hobby.

1. Someone who likes crafts may begin a craft shop.

2. Someone who likes to read may start a bookstore.

3. Someone who does woodwork may start a carpentry shop.

II. An entrepreneur decides that he/she has a better way of managing a business.

A. A new entrepreneur believes he/she can manage the business better than the people for whom he/she works.

1. The new entrepreneur believes that he/she can offer the products or services for a lower cost.

2. The new entrepreneur believes that he/she can manage the employees better.

3. The new entrepreneur realizes that he/she has the same skills, and perhaps better skills, than the people for whom he/she works.

B. The new entrepreneur believes that he/she is not making enough money working for someone else.

(NOTE: The person who owns a business will receive more of the profits.)

C. Entrepreneurs want to be their own boss.

1. New entrepreneurs believe they can make good decisions.

2. New entrepreneurs want to use all of their skills and abilities.

3. New entrepreneurs are tired of working for other people and want to work for themselves.

III. A new entrepreneur may decide that he/she has learned all that is possible about the old business in which he/she works.

A. Becoming an entrepreneur will help him/her to learn more about business management.

B. Becoming an entrepreneur can help the person to develop better skills.

   1. The entrepreneur may have reached his/her potential in the old business.

   2. The entrepreneur cannot be promoted to a higher level in the old business.

IV. Many people live in a rural area and decide to supplement their income with some type of small business.

   A. There are no businesses in which to work.

   B. Occupations in local towns do not pay enough to support a family.

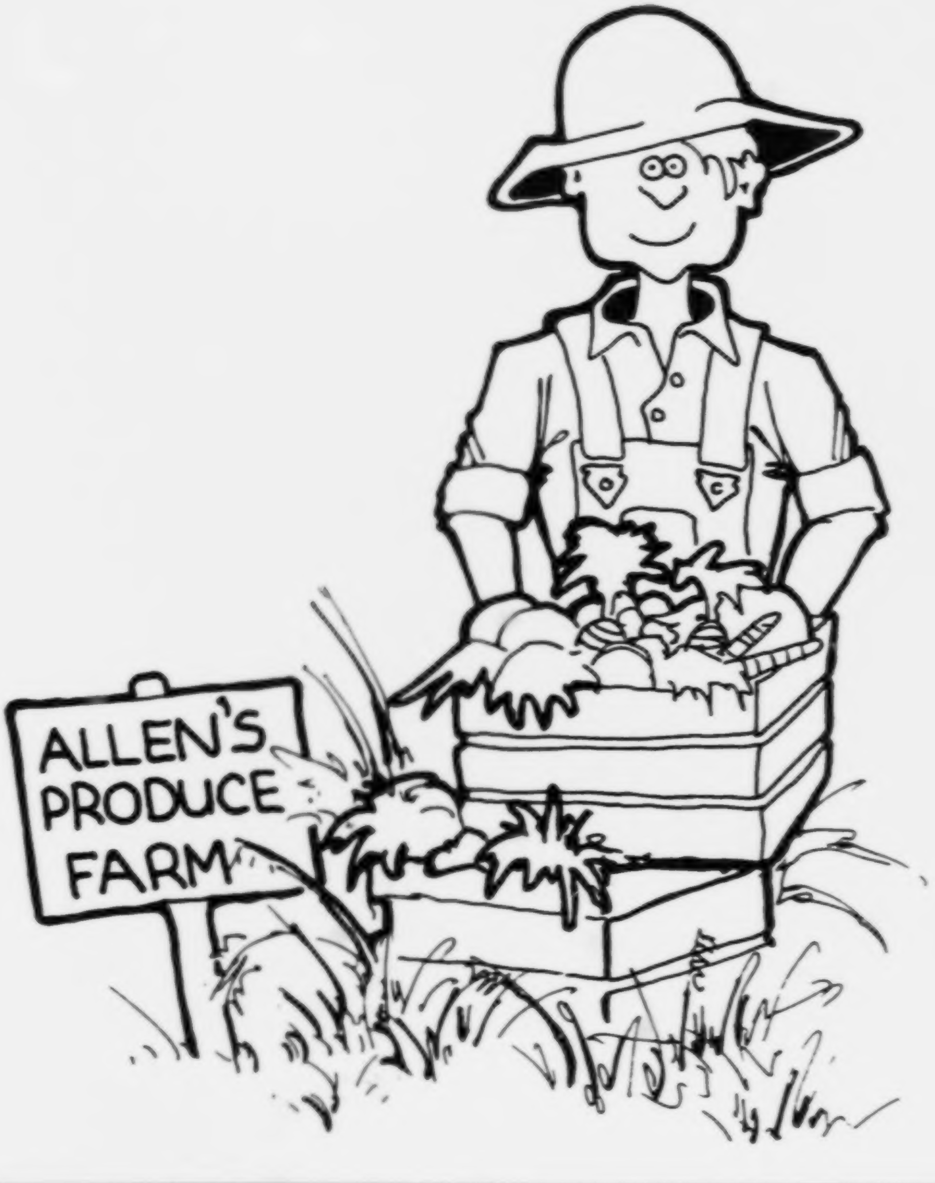
V. A new entrepreneur may decide to open a business about which he/she has little or no knowledge.

   A. The entrepreneur will need much technical assistance in the beginning.

   B. The entrepreneur who opens a business about which he/she has little or no knowledge should develop the entrepreneurship slowly; there are many unknown risks.

   (NOTE: There is no one particular way to decide what business to begin. People became entrepreneurs for different reasons. The business a person begins should be related to his/her strong traits. For example, it may be difficult for a person who really enjoys nursing and taking care of people to start an office supply store.)

RURAL ENTREPRENEURSHIPS MAY HELP SUPPLEMENT THE INCOME OF THE ENTREPRENEUR

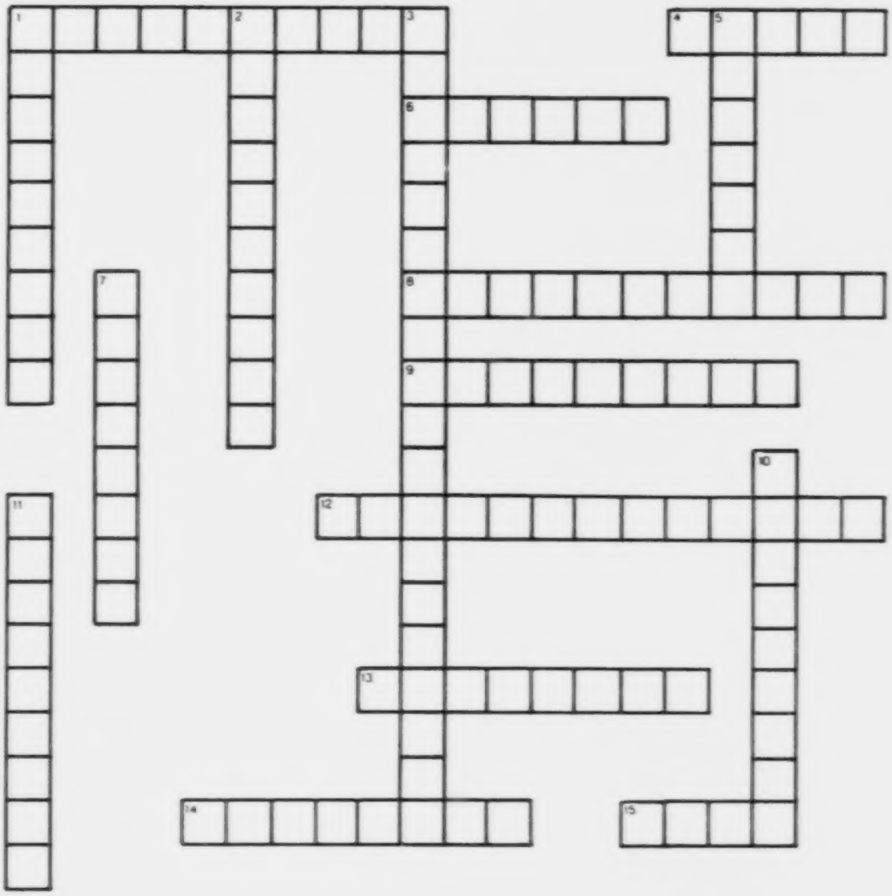

ALLEN'S
PRODUCE
FARM

TM-1

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 1--CROSSWORD PUZZLE

Directions: Listed below are 15 definitions. Use these definitions to complete the crossword puzzle by placing the term which corresponds to each definition in the appropriate place on the crossword puzzle.



ACROSS

1. To add to something
4. The property of an entrepreneur which may be used to pay debts
6. ____________-rating -- having to do with how much a person or business can be trusted to pay its debts
8. A business structure in which a group of people make the decisions about how the company will be managed

DOWN

1. Business __________--how a business is organized and managed
2. That which is needed to open a business or the place where one must start when opening a business
3. Another person or business that has some type of information which the entrepreneur needs
5. Able to pay all legal debts
7. Not being solvent; the inability of the entrepreneur to pay his/her creditors

UNIT IV

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 2--TRUE OR FALSE

Directions: Place a check mark in the blank to the left of each true statement.

_____ 1. Many entrepreneurs open a business with which they are familiar.

_____ 2. The entrepreneur may have had the business as a hobby.

_____ 3. An entrepreneur may decide that he/she has a better way of managing a business.

_____ 4. An entrepreneur wants to sell the products or services for a higher cost than his/her competitors.

_____ 5. The new entrepreneur realizes that he/she has the same skills, and perhaps better skills, than the people for whom he/she works.

_____ 6. Entrepreneurs do not like to be their own boss.

_____ 7. A new entrepreneur may have learned all that he/she can about the old business in which he/she works.

_____ 8. Becoming an entrepreneur can help the person to develop better skills.

_____ 9. People who live in a rural area cannot start an entrepreneurship.

_____10. A new entrepreneur never opens a business about which he/she has little or no knowledge.

UNIT IV

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 3--A BUSINESS PLAN

(NOTE: Many new entrepreneurs will plan the new entrepreneurship on paper before ever actually beginning the business.)

Directions: The following activity will be used throughout the remainder of your study on entrepreneurship. This activity will help you to develop a business "on paper."

1. You can start your business if you live in the right economic system. Check the economic system in which you live.

_____ Socialism
_____ Communism
_____ Free enterprise

2. If you checked Free enterprise, Congratulations! You live in an economic system that will let you be your own boss if you so choose.

Check any of the following which may be a reason you would like to be an entrepreneur.

_____ To make more money
_____ To be my own boss
_____ To reach economic goals
_____ To make decisions
_____ To use all my skills
_____ There are other reasons in addition to these

3. If you checked any of the blanks above, you have real potential to be an entrepreneur! Before you can be an entrepreneur, you need to know what your strengths and weaknesses are.

List three of your strengths. (You may want to refer to Unit III - Activity Sheet 4)

____

____

____

List three of your weaknesses. (You may want to refer to Unit III - Activity Sheet 4)

____

____

____

4. Congratulations! You know your strengths and weaknesses. It is important for a successful entrepreneur to know his/her strengths and weaknesses.

Let's begin choosing a business to develop on paper. What type of entreprene would you like to be--check one of the following.

Agrarian
Industrial

(You may need to refer to Information Sheet 2 in Unit II to refresh your memory about how these two types of entrepreneurships are different.)

5. That's a way to go! You have begun to narrow your choices. If you chose agrarian, go to A below. If you chose industrial, go to B below.

   A. If you chose agrarian, what type of "out-of-door" entrepreneurships are you interested in?

      1. ______________________________

      2. ______________________________

      3. ______________________________

      4. ______________________________

   (NOTE: If you need help with this, review Unit I, TM-3. Unit I lists several types of agrarian entrepreneurships. You can think of others.)

   B. If you chose industrial, what type of entrepreneurships are you intereste in?

      1. ______________________________

      2. ______________________________

      3. ______________________________

      4. ______________________________

   (NOTE: If you need help with this, review Unit I, TM-3. Unit I lists several types of industrial entrepreneurships. You can think of others.)

6. Which of the businesses that you listed would make the best use of your strong traits?

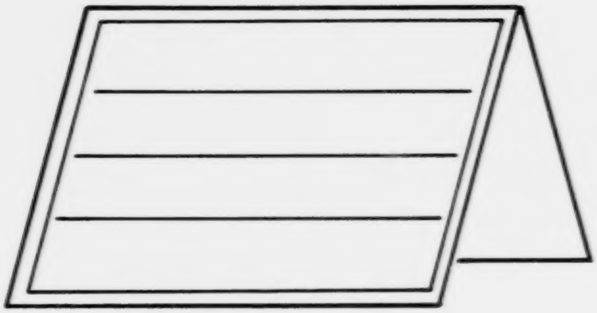
   ____

7. Super! You are on your way to becoming an entrepreneur! Decide how much you know about your business -- check one.

   _____ I know everything there is to know.
   _____ I know quite a lot about the business.
   _____ I know a little about the business.
   _____ I know nothing about the business.

8. How do you think your strong and weak traits will help your business?

9. Name your business. Put the name in the sign below.



STARTING YOUR OWN BUSINESS

INFORMATION SHEET 3--ENTRY-LEVEL CONSIDERATIONS

I. There are no official entry-level requirements for beginning entrepreneurs.

II. Entry into entrepreneurship will depend upon the depth of involvement the entrepreneur wishes to make.

A. Entrepreneurs who run a business from their home will not have as much overhead.

1. They will not need to buy or lease buildings.

2. They will not need to buy or lease land.

B. Entrepreneurs who buy a business from someone else will need more money.

C. Entrepreneurs who buy buildings to house their businesses will need more money.

III. Entry into entrepreneurship will depend upon the experience of the entrepreneur.

A. Making financial decisions

B. Working with people

C. Making the products and services

D. Selling the products and services

(NOTE: Entrepreneurs with much knowledge about the business they are starting will not require as much assistance from outside resources when problems develop as would entrepreneurs with little or no knowledge of the business.)

IV. The beginning entrepreneur will need to develop a cash flow.

A. Cash flow refers to the amount of money available for company use.

B. Cash flow in new entrepreneurships come from two places.

1. The business owners

2. Bank loans

C. The sale of products and services is the best source for cash flow.

D. It may take a long time for enough products to be sold to have a good cash flow.

E. Cash flow is important to businesses.

1. To buy inventories

2. To buy assets such as land and equipment

3. To help keep the business operating

4. To pay employees

5. To develop a credit rating

6. To get cash discounts

(NOTE: When an entrepreneur buys a large volume of supplies, he/she can usually get a discount if these things are bought with cash. Cash discounts help to save money.)

F. Many entrepreneurships go out of business, not because of bankruptcy, but because of a poor cash flow.

(NOTE: If there is no money to pay employees or to buy materials, the entrepreneur cannot continue in business.)

G. When an entrepreneur buys materials on credit, he/she may pay more for them than if they were bought with cash.

1. If the entrepreneur pays high prices for materials, then the product or service will cost more.

2. If the product or service costs a lot, people may not buy from the entrepreneur.

3. Other people may offer the same products and services for a lower cost.

H. An entrepreneur can improve the cash flow of the business.

1. Reduce waste

2. Develop good buying habits

3. Develop good trade credit

4. Improve inventory controls

5. Collect accounts (debts)

6. Do not use the cash on hand

7. Develop a cash budget

(NOTE: The entrepreneur should know what he/she has--how much money he/she has and where the money is being spent.)

V. A new entrepreneur may need to obtain a bank loan.

A. Because bank loans are an important form of cash flow, an entrepreneur should learn to file a loan package properly.

B. The entrepreneur should check with his/her bank to see if there are particular forms to be filed.

C. The entrepreneur may need the help of an accountant, banker, or lawyer to complete the forms.

D. Study each section of the loan form package before completing it.

   1. How much do you want to borrow?

   2. For how long do you want to borrow the money?

   3. How will you repay the loan?

E. Information that presents the entrepreneurship as being solvent will help the entrepreneur to get a loan.

   1. How much cash-on-hand does the business have?

   2. What are the total assets of the business?

   3. Can the new entrepreneurship liquidate its assets and pay off all legal debts?

F. Information that shows the bank that the entrepreneurship is being managed well will help the entrepreneur to get the loan.

   1. There are many ways in which a business can be managed.

   2. Most new entrepreneurships are sole-proprietorships or simple partnerships.

   3. The entrepreneur will need to choose the legal form of business structure best suited to the new entrepreneurship.

      a. Sole Proprietorships

         (1) Are owned by one person

         (2) Are easily formed

         (3) Give the entrepreneur the freedom to do as he/she pleases without consulting with others

         (4) Allow more profits to go to the owner of the business

         (5) Give the owner freedom to make most of the decisions

         (6) Allow operating procedures to be kept a secret

         (7) Allow the owner to pay only income tax and social security tax

         (8) Provide unlimited liabilities

         (9) Require limited funds to begin business operation

      b. Partnerships

         (1) Are easily formed and are in accordance with state laws

(2) Have potential for more resources because there are two or more people

(3) Have a greater ability to raise money

(4) Share management responsibilities

(5) Have minimum taxes levied on the owners by the government

(6) Have an unlimited liability

(7) Can make transfer of ownership difficult

(NOTE: There are many types of partnerships. There are senior, junior, silent, nominal, secret, and dormant partners. The entrepreneur may want to talk to a business expert about each of these types before beginning a new entrepreneurship.)

c. Corporations

(1) Have limited liability of owners

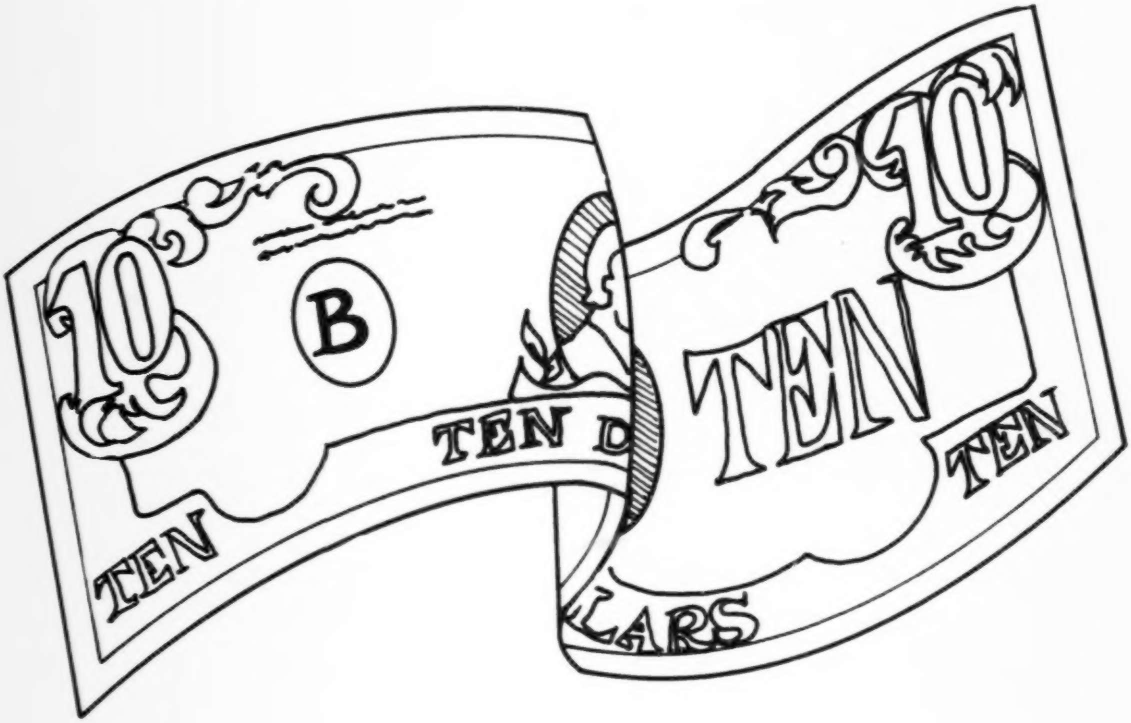
(2) Allow for easy transfer of ownership

(3) Have better fund raising potentials

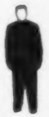
(4) Have greater managerial abilities

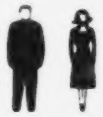
(5) Have division of ownership

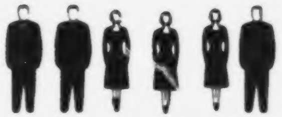
A GOOD CASH FLOW IS IMPORTANT


10
B
TEN D
TEN
10
TEN
TEN
LARS

CHOOSE THE RIGHT BUSINESS STRUCTURE FOR YOUR ENTREPRENEURSHIP







SOLE PROPRIETOR

PARTNERSHIP

CORPORATION

UNIT IV

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 4--OFF AND RUNNING

Directions: Answer each of the following questions.

1. What does the term "entry-level" mean?

2. Are there any official entry-level requirements for beginning entrepreneurs?
   ____

3. Place a check mark in the blank beside each true statement.

   _____ a. Entrepreneurs who buy a business from someone else will need more money.

   _____ b. Entrepreneurs who buy buildings to house their businesses will need more money.

   _____ c. Entry into entrepreneurships will depend upon the experience of the entrepreneur.

4. What does the term "cash flow" mean?

5. Cash flow in new entrepreneurships comes from two places. What are those two places?

   a.

   b.

6. What is the best source of cash flow?

7. List three ways in which a cash flow is important to businesses.

   a.

   b.

   c.

8. What does the term "bankrupt" mean?

9. Is it true that most entrepreneurships go out of business because of bankruptcy? ____________

10. Because money is so important to new entrepreneurships, it may be thought of as an entry-level consideration. What do most entrepreneurs do when they need money?

11. What does the term "solvent" mean?

12. Name three types of business structure.

    a.

    b.

    c.

UNIT IV

STARTING YOUR OWN BUSINESS

INFORMATION SHEET 4--DEVELOPING TECHNICAL ASSISTANCE

I. Many things may help an entrepreneurship to be successful.

  A. An experienced and successful entrepreneur

    1. Has the new entrepreneur worked in this business before?

    2. Has the entrepreneur worked for long periods of time at other jobs?

  (NOTE: Moving from one job to another may indicate that the individual cannot stay with any one task for long at a time.)

  B. Unique service or product

    1. Does the product or service fulfill some unmet need in the society?

    2. How is the product or service different from other similiar products or services?

    3. Does the product, service, or entrepreneur appeal to a select group of people?

  C. Enough capital

  D. The business' being well planned before it begins

  E. Evaluation of the entrepreneur's strengths and weaknesses

  F. Available technical assistance

II. Technical assistance can be helpful in many ways.

  A. When the entrepreneur is inexperienced, he/she can talk to more experienced entrepreneurs to get insight and advice.

  B. The entrepreneur can talk with others to find out how he/she can make the service or product better.

  C. The entrepreneur will often need to contact outside resources in order to raise the money needed for the business.

    1. For start-up cost

    2. Keeping the business going

    3. Expanding the business

  D. Entrepreneurs will want technical assistance from other people to find out how to improve the business.

    1. It helps to get information from others who have already done what you are trying to do.

2. Sometimes outside assistance can have a more objective look at the business than the entrepreneur.

3. Technical assistance can help the entrepreneur to evaluate his/her abilities and offer suggestions on how to strengthen weak abilities.

III. Obtaining technical assistance is not an indication of failure.

A. Entrepreneurs who obtain technical assistance are showing good management skills.

1. By getting more information on problem areas so that they may make better decisions

2. By wanting to get rid of the weak areas within the business so it may operate more effectively.

B. Entrepreneurs who are able to get good technical assistance will help their business to grow.

IV. The entrepreneur may want to get technical assistance before the business is opened.

A. To help determine where the business is to be located

B. To help develop financial plans

C. To help decide what form of business structure to adopt

D. As an entry-level requirement

V. The entrepreneur may want to obtain technical assistance after the business has been opened.

A. To help manage finances

B. To help market the products and services

C. To help promote sales

D. To help develop human resources

E. To help plan protection

VI. Technical assistance can help interpret the law for the entrepreneur and help him/her to know exactly what legal requirements must be fulfilled.

VII. Technical assistance can be obtained from many sources.

A. Accountants

B. Lawyers

C. Bankers

D. Management consultants

E. Business associates

F. Business affiliations

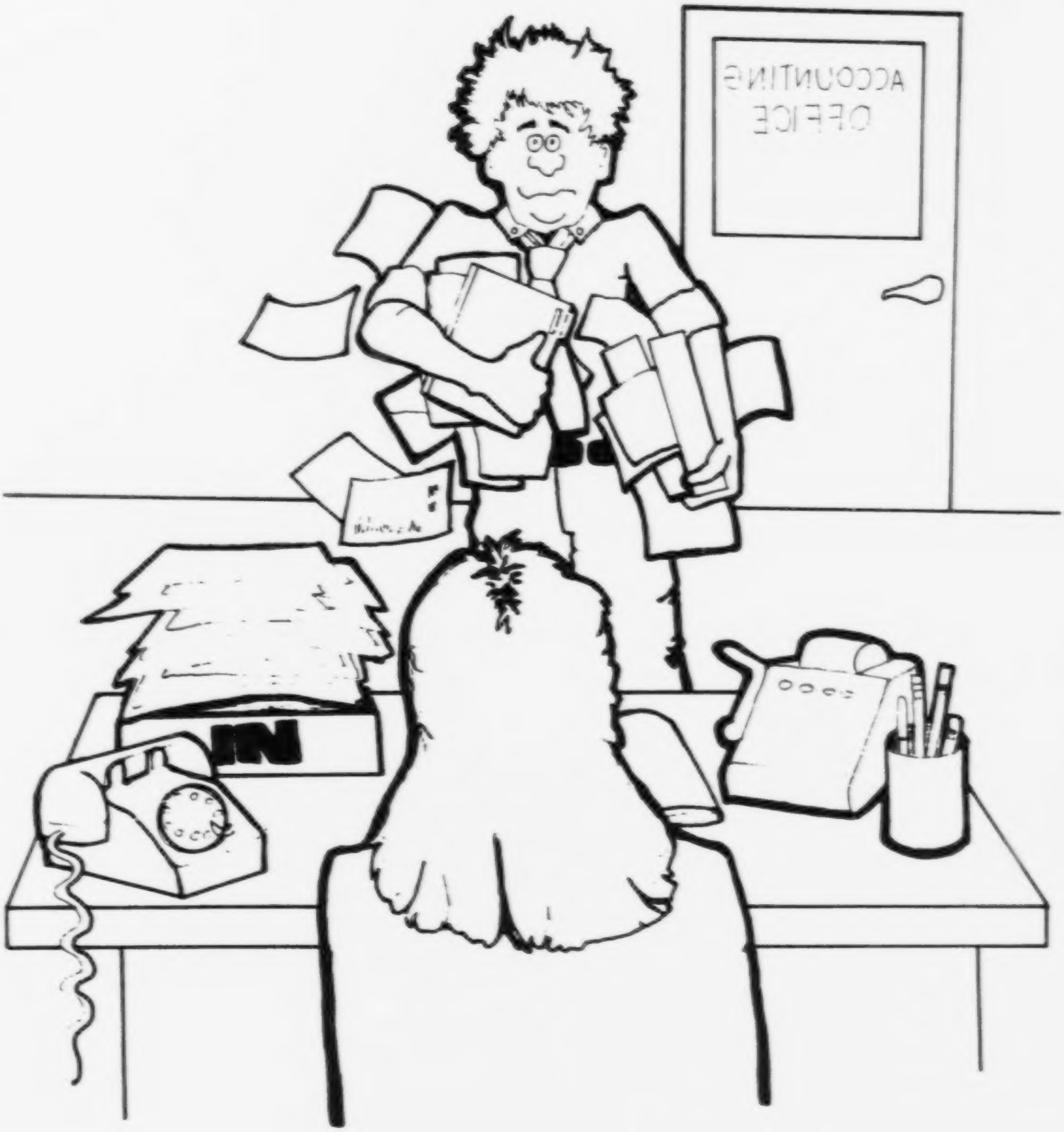
G. Government agencies

H. Educational institutions

I. Professional services

J. Books, newsletters

THE WISE ENTREPRENEUR WILL LOCATE GOOD TECHNICAL ASSISTANCE


ACCOUNTING
OFFICE
IN

TM-4

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 5--GETTING HELP

1. List three things which help an entrepreneur to be successful.

   a.

   b.

   c.

2. List three ways technical assistance can be helpful.

   a.

   b.

   c.

3. Is obtaining technical assistance an indication of failure? __________

4. List three ways technical assistance can be helpful before the entrepreneur opens a business.

   a.

   b.

   c.

5. List three ways technical assistance can be helpful after an entrepreneur opens a business.

   a.

   b.

   c.

6. Name five places where an entrepreneur may obtain technical assistance.

   a.

   b.

   c.

   d.

   e.

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 6--A BUSINESS PLAN CONTINUED

ACTIVITY

(NOTE: In Activity Sheet 3, you began to develop a business plan. This activity will add to what you have already started. Complete each of the following questions.)

1. What was the name of your business?

2. What will you be doing in your business?

3. Before starting the business, many things will need to be purchased. Below is a list of things you may need. Some of these things you may already have. Some entrepreneurs start their business with very few materials and buy as they can. Other entrepreneurs need to buy certain things in order to make their products and services. Place a check mark by each of those things that you will need to buy or rent.

_____ A. Place to house the new business

_____ B. Special equipment to make the product or service (What equipment will you need? List it below.)

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

_____ C. Material for making the product or service

_____ D. Money to pay people who work for you

_____ E. Furniture, tools, phone, paper, pencil, and other equipment that you will need to manage your business

_____ F. Cars, trucks, etc. for business transportation

_____ G. Clothes, uniforms, etc.

_____ H. Other

4. As you can probably see, there are many things that you will need in your business to get started. Let's find out how much money you will need to get your business going.

   (NOTE: The following prices are not real. These could or could not be higher than this.)

   A. If you checked A above, write $250 in the space to the right. _______

   B. If you checked B above, write $50 or $100 in the spaces to the right for each piece of equipment that you listed.
      1. _______
      2. _______
      3. _______
      4. _______
      5. _______

   C. If you checked C above, write $75 in the space to the right. _______

   D. If you checked D above, write $150 in the space to the right. _______

   E. If you checked E above, write $100 in the space to the right. _______

   F. If you checked F above, write $140 in the space to the right. _______

   G. If you checked G above, write $50 in the space to the right. _______

   H. If you checked H above, write $75 in the space to the right. _______

   Total (Add A - H) _______

5. How much money will you need to start your business? __________

   (NOTE: How much is your total?)

6. How much money do you have now? __________

7. Where could you go to get the money you need? __________
   Could you go to a bank, get a business partner, or do without any of the things that you listed?

8. Sometimes technical assistance can help to show how the overhead can be made lower. Whom could you contact for technical assistance? List three people.

   a.

   b.

   c.

   (NOTE: Starting your own business is hard work when done right. The reward for doing the work is great. New entrepreneurs need to remember what they are working toward--to be their own boss, to make more money, to use all their skills.)

STARTING YOUR OWN BUSINESS

ACTIVITY SHEET 7--FINDING HELP

Directions: Use the yellow pages of your phone book and find the names, addresses, and phone numbers of those agencies which an entrepreneur might use for technical assistance. Find at least five.

	Name	Address	Phone #
1.			
2.			
3.			
4.			
5.			

STARTING YOUR OWN BUSINESS

UNIT TEST--PART 1

For each definition, select the correct term by circling the letter to the left.

1. Not being solvent; unable to pay creditors.

   a. asset
   b. bankruptcy
   c. credit rating

2. How a business is organized and managed.

   a. business structure
   b. corporation
   c. supplement

3. A lower cost charged to an entrepreneur when products are bought with cash rather than on credit.

   a. solvent
   b. levy
   c. cash discounts

4. Having to do with how much a person or business can be trusted to pay its debts.

   a. corporation
   b. loan package
   c. credit rating

5. That which is needed to open a business or the place where one must start when opening a business.

   a. business structure
   b. entry-level
   c. inventory

6. A listing of all the material which can be counted as an asset.

   a. liability
   b. liquidate
   c. inventory

7. Some action taken by order of the law.

   a. levy
   b. asset
   c. supplement

8. A debt which the entrepreneur must take care of him/her self.

   a. liability
   b. technical assistance
   c. asset

9. Able to pay all legal debts.

   a. liability
   b. levy
   c. solvent

10. Another person or business that has some type of information which the entrepreneur needs.

    a. corporation
    b. technical assistance
    c. business structure

STARTING YOUR OWN BUSINESS

UNIT TEST--PART 2

Answer the following statement true of false by placing a T for True and an F for False in the blanks at the left.

_____ 1. Many entrepreneurs open a business with which they are familiar.

_____ 2. An entrepreneur may decide that he/she has a better way of managing a business.

_____ 3. An entrepreneur believes that he/she is not making enough money working for someone else.

_____ 4. Entrepreneurs do not want to be their own boss.

_____ 5. An entrepreneur may decide that he/she has learned all that is possible about the old business in which he/she works.

_____ 6. Becoming an entrepreneur will not help him/her to learn more about business management.

_____ 7. People who live in rural areas cannot become entrepreneurs.

_____ 8. A new entrepreneur may open a business about which he/she has little or no knowledge.

_____ 9. Entrepreneurs will need much technical assistance in the beginning.

_____10. The entrepreneur who opens a business about which he/she has little or no knowledge should develop the entrepreneurship fast.

TEST

UNIT IV

STARTING YOUR OWN BUSINESS

UNIT TEST--PART 3

A. For each statement below, circle the letter which best completes the statement.

1. There are ______________ official entry-level requirements for beginning entrepreneurs.

   a. many
   b. no

2. Entry into an entrepreneurship will depend upon the depth of ______________ the entrepreneur wishes to make.

   a. involvement
   b. income

3. Entrepreneurs who run a business from their home will not have as much ______________.

   a. profit
   b. overhead

4. Entry into an entrepreneurship will depend upon the experience of the ______________.

   a. business partner
   b. entrepreneur

5. The beginning entrepreneur will need to develop a ______________.

   a. managerial style
   b. cash flow

6. The sale of products and services is the ______________ source for cash flow.

   a. best
   b. worst

7. Cash flow is important to a business so that it may ______________.

   a. buy inventories
   b. buy liabilities

8. Many entrepreneurships go out of business, not because of bankruptcy, but because of a poor ______________.

   a. manager
   b. cash flow

9. When the entrepreneur buys materials on credit, he/she may pay more for them than if they were bought with _______________.

    a. cash
    b. a partner

10. An entrepreneur can improve the cash flow of the business by ____________.

    a. not using the cash on hand
    b. not buying materials for products and services

B. Answer each of the following questions.

1. List three reasons why a cash flow is important to businesses.

    a.

    b.

    c.

2. List three ways an entrepreneur can improve the cash flow of the business.

    a.

    b.

    c.

3. List three sections of the loan form package.

    a.

    b.

    c.

4. List two legal forms of business structure.

    a.

    b.

C. Circle the number beside the correct answer.

1. Sole proprietorships

    a. are owned by one person
    b. are owned by more than one person

2. In sole proprietorships

    a. there is unlimited liability
    b. there is limited liability

3. Partnerships

   a. have fewer resources to work with because there are two or more people
   b. have potential for more resources because there are two or more people

4. Corporations

   a. have limited liability of owners
   b. have unlimited liability of owners

5. Corporations

   a. have greater fund-raising potentials
   b. have a difficult time in raising funds

UNIT IV

STARTING YOUR OWN BUSINESS

UNIT TEST--PART 4

A. Answer the following statements True or False by placing a T for True and an F for False in the space at the left.

_____ 1. Entrepreneurships have a better chance of being successful if the entrepreneur is experienced and successful.

_____ 2. Entrepreneurships have a better chance of being successful if the service or product being offered is not unique.

_____ 3. Entrepreneurships have a better chance of being successful if the entrepreneur has enough capital.

_____ 4. Entrepreneurships have a better chance of being successful if the business is not well planned before it begins.

_____ 5. Entrepreneurships have a better chance of being successful if the entrepreneur gets technical assistance.

B. Place a check mark beside each statement which indicates how technical assistance can be helpful.

_____ 1. To get insight and advice

_____ 2. To find out how to make the service or product better

_____ 3. To raise the money needed for the business

_____ 4. To improve the business

_____ 5. To offer suggestions on how to strengthen those abilities which are weak

TEST

C. Complete each of the sentences with one of the words listed below.

grow
before
failure
management skills
sources

1. Obtaining technical assistance is not an indication of _______________.

2. Entrepreneurs who obtain technical assistance are showing good ___________.

3. Entrepreneurs who are able to get good technical assistance will help their business to _______________.

4. The entrepreneur may want to get technical assistance _______________ the business is opened.

5. Technical assistance can be obtained from many _______________.

D. List five sources of technical assistance.

1.

2.

3.

4.

5.

UNIT V

DEVELOPING A BUSINESS PLAN

UNIT OBJECTIVE

After completion of this unit, the student will know what a business plan is, what it is to include, and why it is important to entrepreneurs. This knowledge will be evidenced through demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit of instruction, the student will:

1. Give five reasons why an entrepreneur develops a business plan
2. List five areas that should be covered in a business plan
3. List three areas that should be addressed in a cover letter
4. Identify key ideas associated with a business plan
5. Know that a business plan is an important part of successful entrepreneurships

UNIT V

DEVELOPING A BUSINESS PLAN

NOTES TO THE INSTRUCTOR

I. Objective Sheet

A. Discuss the unit objective with the students.

B. Discuss each specific objective.

C. Have the students complete the objectives in a sequence best suited to your classroom.

D. Add any objectives necessary to meet fully the needs of the unit and the student.

II. Information and Activity Sheets

(NOTE: The development of a business plan is perhaps the most crucial activity in which the entrepreneur will engage. Unfortunately for your students, this may be one of the least exciting units of the text because of the subject matter. It will be important to generate enthusiasm for this area of instruction. Several creative ways of building enthusiasm are to make the unit test optional for those students who want to complete all of Activity Sheet 5 or who would prefer to develop their own business plan. This unit will build from the "Imaginary Business" that the students started in Unit IV.)

A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Review the terms and definitions with the students.

2. Use ACTIVITY SHEET 1--SENTENCE BUILDING to reinforce this area of instruction.

B. INFORMATION SHEET 2--WHY A BUSINESS PLAN?

1. An entrepreneur has many reasons for developing a business plan; help your students see the importance of planning.

2. Point out to the students that many of the concepts studied in earlier units are now being covered in the business plan, for example management.

3. Use TM-1--WHY A BUSINESS PLAN? to supplement this area of instruction.

4. Use ACTIVITY SHEET 2--WHY A BUSINESS PLAN? to reinforce this area of study.

C. INFORMATION SHEET 3--WHAT TO INCLUDE

1. Explain the two major parts of the business plan: the description of the business and a cover letter.

2. Cover the areas included on a business plan which refer to a description of the new entrepreneurship.

3. Use TM-2--FIVE KEY ELEMENTS to supplement the instruction of this information.

   (NOTE: This unit lists many questions which the entrepreneur should consider when developing a business plan.)

4. For those students who will work on Activity Sheet 5, help them to see the benefit of using the questions in this unit to help them develop their business plan.

5. Use ACTIVITY SHEET 3--WHAT TO INCLUDE to reinforce this area of instruction.

6. Review the basic parts of a cover letter.

7. Use ACTIVITY SHEET 4--A COVER LETTER to help give the students an idea of what a cover letter looks like and to reinforce this area of instruction.

8. Use ACTIVITY SHEET 5--YOUR BUSINESS PLAN as an alternative to the unit test or to supplement the information already covered.

9. Use ACTIVITY SHEET 6--LEARNING FROM OTHERS to help students develop skills in getting information about business.

III. Answers to Activity Sheets

IV. Unit Test

A. The test is divided into three parts.

1. Each part covers one Information Sheet.

2. Each part uses various methods of testing.

B. Various approaches may be used in testing.

1. Give each part of the test after the student has completed the information in one information area or sheet.

2. Give the entire test upon completion of all the Information and Activity Sheets.

3. Give one or several parts of the test as an additional assignment to reinforce problem areas of learning.

C. Add test parts corresponding to any information areas or sheets added to the unit.

V. Answers to the Unit Tests

A. Answers are based on total information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

VI. References and Resources

A. Lyon, Barbara Jean. "Business Management Ownership." Stillwater, OK: State Board of Vocational and Technical Education; Curriculum and Instructional Materials Center. 1982. ED 229 542.

B. Persons, Edgar A. "Be Your Own Boss: Introducing Entrepreneurship." Professional Development Series No. 5. American Vocational Association, Inc. Arlington: VA ED 212 888.

UNIT V

DEVELOPING A BUSINESS PLAN

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 2

A. 1. A business plan helps the entrepreneur to see if his/her business is possible.

2. Banks will support a business that is well planned.

3. A businss plan will help the entrepreneur to decide if the entrepreneurship will be profitable.

4. The entrepreneur can determine if the new business needs to be changed in some way if he/she has a business plan.

5. A business plan helps the entrepreneur to decide how the business will be managed.

B. 1. ✓
2. ✓
3.
4. ✓
5. ✓
6. ✓
7. ✓
8. ✓
9.
10. ✓

C. Yes

ACTIVITY SHEET 3

A. 1. A description of the new entrepreneurship
2. A cover letter

B. 1. ✓
2. ✓
3. ✓
4. ✓
5. ✓

C. 1. T
2. F
3. F
4. T
5. F
6. F
7. T
8. T
9. F
10. T

D. 1. F
2. F
3. M
4. F
5. F
6. M
7. F
8. M
9. F
10. M

ACTIVITY SHEET 4

1. 1
2. 2
3. 3

ACTIVITY SHEETS 5 and 6

Evaluated to the satisfaction of the instructor.

DEVELOPING A BUSINESS PLAN

ANSWERS TO UNIT TEST

PART 1

1. d
2. c
3. e
4. a
5. b

PART 2

A.
1. ✓
2. ✓
3. ✓
4. ✓
5. ✓

B.
1. T
2. F
3. F
4. T
5. T
6. T
7. F
8. T
9. F
10. T

PART 3

A.
1. A description of the new entrepreneurship
2. A cover letter

B.
1. ✓
2. ✓
3. ✓
4. ✓
5. ✓

C.
1. ✓
2.
3.
4. ✓
5.
6.
7. ✓
8. ✓
9.
10. ✓

D.
1. F
2. F
3. M
4. F
5. F
6. M
7. F
8. M
9. F
10. M

UNIT V

DEVELOPING A BUSINESS PLAN

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Advertisement--how an entrepreneur lets the public know what products and services he/she has to offer

2. Business plan--a detailed description of the entrepreneurship

3. Cover letter--a letter which is sent with the business plan describing the purpose of the entrepreneurship and the qualifications of the entrepreneur

4. Market--the people to whom the entrepreneur tries to sell his/her products and services

5. Market place--where the goods and products are sold

UNIT V

DEVELOPING A BUSINESS PLAN

ACTIVITY SHEET 1--SENTENCE BUILDING

Directions: Make a sentence using each of the following words.

1. Advertisement

2. Business plan

3. Cover letter

4. Market

5. Market place

DEVELOPING A BUSINESS PLAN

INFORMATION SHEET 2--WHY A BUSINESS PLAN?

(NOTE: In Unit IV the idea of a business plan was discussed. Successful entrepreneurships often start with a business plan. Because the successful entrepreneurship has been carefully planned, the chances of getting bank loans and keeping a cash flow is increased. This unit will help you to develop the business plan you started in Unit IV.)

I. Why develop a business plan?

   A. A business plan helps the entrepreneur to see if his/her business is possible.

      1. The entrepreneur can decide if there is a need for the product or service to be sold.

         a. Will people buy the product or service?

         b. What other products or services already exist that are like the one that the entrepreneur wants to sell?

      2. The entrepreneur can decide if the material that is needed to make the product or services can be obtained.

         a. If the material costs a lot, then the product or service will cost a lot.

         b. If prices for the product or service are high, then people may not buy from the entrepreneur.

   B. Banks will support a business that is well planned.

      1. If the bank sees that the entrepreneurship has a good chance of being successful, then it will not be afraid to lend money to the entrepreneur.

      2. A business plan will help the bank to see who will be running the business.

   C. A business plan will help the entrepreneur to decide if the entrepreneurship will be profitable.

      1. It is better to decide if a business will make a profit before the entrepreneur puts much of his/her time and money into the business.

      2. If the entrepreneur knows that the business will make a profit, then other people will be more willing to put their money into the business.

   D. The entrepreneur can determine if the new business needs to be changed in some way if he/she has a business plan.

E. A business plan helps the entrepreneur to decide how the business will be managed.

   1. Will the entrepreneurship be a sole-proprietorship?

   2. Will the entrepreneurship be a partnership?

   3. Will the entrepreneurship be a corporation?

II. The business plan can be developed by the entrepreneur or by technical assistance.

WHY A BUSINESS PLAN

A business plan helps the entrepreneur to see if his/her business is possible.

Banks will support a business that is well planned.

A business plan will help the entrepreneur to decide if the entrepreneurship will be profitable.

The entrepreneur can determine if the new business needs to be changed in some way if he/she has a business plan.

A business plan helps the entrepreneur to decide how the business will be managed.

DEVELOPING A BUSINESS PLAN

ACTIVITY SHEET 2--WHY A BUSINESS PLAN?

A. Directions: List five reasons why an entrepreneur might develop a business plan.

1.

2.

3.

4.

5.

B. Directions: Place a check beside each true statement listed below.

_____ 1. A business plan will help the entrepreneur to decide if there is a need for the product or service to be sold.

_____ 2. A business plan will not help the entrepreneur to know what other products or services already exist that are like the one that he/she wants to sell.

_____ 3. If the material used to make a product or service costs a lot, then the product or service will not cost much.

_____ 4. Banks will support a business that is well planned.

_____ 5. It is better to decide if a business will make a profit before the entrepreneur puts much of his/her time and money into the business.

_____ 6. A business plan will help the entrepreneur to determine if the new business needs to be changed in some way.

_____ 7. A business plan will not help the entrepreneur to decide how the business will be managed.

_____ 8. If the entrepreneur knows that the business will make a profit, then other people will be more willing to put their money into the business.

_____ 9. A business plan has to be done before a person can begin an entrepreneurship.

_____10. Successful entrepreneurships often start with a business plan.

C. Can a business plan be developed by technical assistance?

DEVELOPING A BUSINESS PLAN

INFORMATION SHEET 3--WHAT TO INCLUDE

I. A business plan will describe the new entrepreneurship.

   A. The business plan should describe the company and the products to be made.

      1. Where will the business be located?

         a. Is there plenty of parking?

         b. Is the building attractive?

         c. Are there special safety features that need to be added, such as doors, walkways, fire extinquishers, etc.

         d. Are other people doing now what you propose to do?

            (1) Are they succeeding?

            (2) How do they run their business?

         e. Have other people tried doing what you plan on doing?

            (1) How did the fail?

            (2) How can you plan your business differently?

      2. Are such products and services currently being offered in your market area?

      3. How is your proposed product or service different from that which is being offered?

      4. What supplies, equipment, etc. will be needed to produce your product?

   B. The business plan should include a description of the market.

      1. What is the size of the market?

      2. Who will purchase your product?

      3. What is the income of those who will purchase your products?

      4. Will the market-place be able to afford your products?

      5. What are the occupations of those people who will purchase your products?

   C. The business plan should include a description of the marketing strategy.

      1. How will the products and services be delivered?

      2. How will advertisement be done?

3. Who will be responsible for getting the products and services to the market place?

4. Is the sight of production close to the market place?

5. What plans, if any, do you have for expanding the business?

    a. How will you know when to expand the business?

    b. What kind of time-table do you anticipate?

D. The business plan should include a description of the management.

1. What management experience do you have?

2. How do you plan to obtain management experience?

3. What type of management model will you use?

4. Where will you get help in solving management problems?

E. The business plan should include a description of the financial data.

1. How much money will you need to get started?

2. How much money will you need to borrow?

3. How much money do you have available now?

4. What kind of lease agreements on machinery and buildings do you have?

5. What kind of sales of products and services will you need to have in order to meet your expenses?

6. How much will you pay your help?

7. What kind of benefits will you offer to your help and how much will it cost?

II. The business plan should have a cover letter attached to the front.

A. The cover letter introduces to the reader what your plan is going to be about.

B. The cover letter tells the reader of your skills and abilities.

C. The cover letter tells the reader what is special and unique about your business.

FIVE KEY ELEMENTS OF A BUSINESS PLAN

A. The business plan should describe the company and products to be made.

B. The business plan should include a description of the market.

C. The business plan should include a description of the marketing strategy.

D. The business plan should include a description of the management.

E. The business plan should include a description of the financial data .

UNIT V

DEVELOPING A BUSINESS PLAN

ACTIVITY SHEET 3--WHAT TO INCLUDE

A. What are the two main sections of the business plan?

1.

2.

B. Directions: Place a check beside each of the following items that should be included in a business plan.

_____ 1. A description of the company and the products to be made.

_____ 2. A description of the market

_____ 3. A description of the marketing strategy

_____ 4. A description of the management

_____ 5. A description of the financial data

C. Directions: Answer the following statements True or False by placing a T for True or an F for False in the space at the left.

_____ 1. A business plan should tell where the business will be located.

_____ 2. A business plan does not need to include any special safety features that need to be added, such as doors, walkways, fire extinguishers, etc.

_____ 3. The entrepreneur should not care if other people are doing what he/she proposes to do.

_____ 4. An entrepreneur should include in the business plan how the proposed product or service is different from that which is being offered.

_____ 5. The supplies, equipment, etc. that will be needed to produce the entrepreneur's product should not be included in the business plan.

_____ 6. The business plan should include a description of the company but not a description of the market.

_____ 7. An entrepreneur needs to be concerned with who will purchase the product.

_____ 8. The business plan should include a description of the marketing strategy.

_____ 9. How advertisement will be done is not a concern of the entrepreneur.

_____ 10. An entrepreneur should include in the business plan what his/her plans are, if any, for expanding the business.

D. Directions: For each question below, place in the blank to the left an "M" if the question is about a description of the management or an "F" if the question is about a description of the financial data.

Example: __F__ 1. How much money will you need to get started?

_____ 1. What kinds of benefits will you offer to your help and how much will they cost?

_____ 2. How much will you pay your help?

_____ 3. What management experience do you have?

_____ 4. What kind of sales of products and services will you need to have in order to meet your expenses?

_____ 5. What kind of lease agreements on machinery and buildings do you have?

_____ 6. How do you plan to obtain management experience?

_____ 7. How much money do you have available now?

_____ 8. What type of managment model will you use?

_____ 9. How much money will you need to borrow?

_____10. Where will you get help in solving management problems?

DEVELOPING A BUSINESS PLAN

ACTIVITY SHEET 4--A COVER LETTER

Directions: On the following page is a sample cover letter. Read the letter and answer the questions which follow.

1. In what paragraph does J. D. Hatrack tell the reader what the business plan is about?

2. In what paragraph does J. D. Hatrack tell the reader what skills and abilities that the entrepreneur brings to the business?

3. In what paragraph does J. D. Hatrack tell the reader what is unique about the business?

J. D.'s Antiques
1234 Chair St.
Sofa City, Texas 12345
January 23, 1986

A. Loan, Director
c/o Save U Money Bank
Main Street
Deposit, Texas 54321

Dear Mr. Loan:

I am currently seeking to finance a new antique shop here in Sofa City. Opening such a new business venture will require a large sum of money in order to begin. I have enclosed a detailed business plan which will outline for you what my needs will be. Suchy information will be helpful to you and your staff, I am sure, as you begin working on my loan application.

You will note from my business plan that I have been the leading sales person for the past three years in the business in which I am currently employed. My knowledge of sales will be a great asset, I am sure, to my new business. Realizing that I have had very little management experience, I have enrolled in a management class at a local community college. Until I can obtain greater expertise as a manager, I have employed C. A. Help on a part-time basis for some technical assistance. Mrs. Help works in Sofa City as a management consultant to the larger businesses in our town.

I trust that you will find my business plan acceptable. J. D.'s Antiques will be in a unique location, across the street from some old colonial style homes which are open for public tours. These homes are completely refurbished with antique furniture. I am positive that the interest developed in antique furniture from these tours will help my business to succeed. In an informal survey which I conducted, sixty-five percent of those people who completed the tour stated an interest in purchasing antique furniture. Eighty-eight percent of the people questioned stated that they would very much like to visit an antique shop to price the furniture. Such an interest by the public in antique furniture appears to be growing in our city. Since there is only one antique dealer in our city, I know that J. D.'s Antiques will be a welcome addition to our community.

I look forward to working with you during the loan application process.

Sincerely yours,

J. D. Hatrack

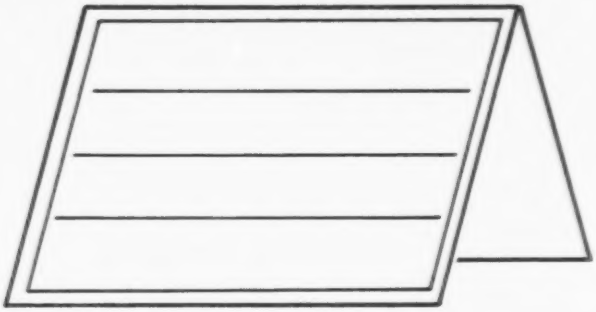
Enclosures

DEVELOPING A BUSINESS PLAN

ACTIVITY SHEET 5--YOUR BUSINESS PLAN

(NOTE: In Unit IV you began developing your own business. This activity will help you to further develop this business.)

A. What is the name of your business?



B. In the space below write the month in which you were born.

____

C. If you were born in or between the months of January through June, complete Number 1 on the following page. If you were born in or between the months of July through December, complete Number 2 on the following page.

ACTIVITY

1.

A BUSINESS PLAN FOR

____
(Print your name)

Directions: Complete each of the following sections. (NOTE: There are no right or wrong answers.)

A. What is the name of your business?

B. Where will the business be located?

C. Describe the building.

D. How much parking will you have?

E. Describe any special features of your building (walkways for handicapped individuals, fire alarms, etc.).

F. How many other businesses in the area are similiar to yours?

G. Why are the other businesses that are like yours succeeding or failing?

H. If yours is the only business in the area, why have no other people tried doing what you plan to do?

I. Are the products and services that your entrepreneurship makes being offered in your market area?

J. How is your product or service different from that which is being offered?

K. What makes your product or service unique?

2.

A BUSINESS PLAN FOR

____
(Print your name)

A. What is the name of your business?

B. Estimate the size of your market.

C. Who will purchase your products?

D. What are the occupations of those people who will purchase your products?

E. How will the products and services be delivered?

F. How will advertisement be done?

G. Who will be responsible for getting the products and services to the market place?

H. Is the sight of production close to the market place?

I. What plans, if any, do you have for expanding the business?

J. How will you know when to expand the business?

K. Where will you get help in solving your management problems?

DEVELOPING A BUSINESS PLAN

ACTIVITY SHEET 6--LEARNING FROM OTHERS

Directions: The yellow pages of the phone book can be a good source to get information about other entrepreneurships. Choose one of the following areas, look it up in the yellow pages of a phone book, and answer the questions below.

advertising
air conditioning
appliances-repair
automobiles
barbers
book dealers
computers
concrete
dry wall contractors
electric contractors
electric motors
farms
paint
nursery men
uniforms
word processing

1. Circle the area that you have chosen to look up.

2. How many businesses are listed under this area?

3. Are the businesses listed on the same street?

4. How many different streets are listed?

5. How many people have used large ads?

6. Do you know anything about the part of town in which these businesses are located?

7. Who lives in that area of town? (Examples might be poor people, wealthy people, people who work at a certain factory, middle class, upper class, etc.)

8. If possible, find an old telephone book and look up the same area. How many businesses are listed in the books? Has any business gone out of business? How many new businesses are there?

UNIT V

DEVELOPING A BUSINESS PLAN

UNIT TEST--PART 1

Match the terms with their definitions by placing the correct letter in the blanks at the left.

_____1. Market

_____2. Cover letter

_____3. Market place

_____4. Advertisement

_____5. Business plan

a. how an entrepreneur lets the public know what products and services he/she has to offer

b. a detailed description of the entrepreneurship

c. a letter which is sent with the business plan describing the purpose of the entrepreneurship and the qualifications of the entrepreneur

d. the people to whom the entrepreneur tries to sell his/her products and services

e. where the goods and products are sold

TEST

UNIT V

DEVELOPING A BUSINESS PLAN

UNIT TEST--PART 2

A. Place a check beside each statement that might be a reason why an entrepreneur would develop a business plan.

_____ 1. It helps the entrepreneur to see if his/her business is possible.

_____ 2. Banks will support a business that is well planned.

_____ 3. It will help the entrepreneur to decide if the entrepreneurship will be profitable.

_____ 4. It will help the entrepreneur to determine if the new business needs to be changed in some way.

_____ 5. It helps the entrepreneur to decide how the business will be managed.

B. Answer the following statements true or false by placing a T for True or an F for False in the blanks at the left.

_____ 1. A business plan will help the entrepreneur to decide if there is a need for the product or service to be sold.

_____ 2. A business plan will not help the entrepreneur to know what other products or services already exist that are like the one that he/she wants to sell.

_____ 3. If the material used to make a product or service costs a lot, then the product or service will not cost much.

_____ 4. Banks will support a business that is well planned.

_____ 5. It is better to decide if a business will make a profit before the entrepreneur puts much of his/her time and money into the business.

_____ 6. A business plan will help the entrepreneur to determine if the new business needs to be changed in some way.

_____ 7. A business plan will not help the entrepreneur to decide how the business will be managed.

_____ 8. If the entrepreneur knows that the business will make a profit, then other people will be more willing to put their money into the business.

_____ 9. A business plan has to be done before a person can begin an entrepreneurship.

_____ 10. Successful entrepreneurships often start with a business plan.

D. For each question below, place in the blank to the left an "M" if the question is about a description of the management or an "F" if the question is about a description of the financial data.

Example: __F__ 1. How much money will you need to get started?

_____ 1. What kinds of benefits will you offer to your help and how much will they cost?

_____ 2. How much will you pay your help?

_____ 3. What management experience do you have?

_____ 4. What kind of sales of products and services will you need to have in order to meet your expenses?

_____ 5. What kind of lease agreements on machinery and buildings do you have?

_____ 6. How do you plan to obtain management experience?

_____ 7. How much money do you have available now?

_____ 8. What type of management model will you use?

_____ 9. How much money will you need to borrow?

_____10. Where will you get help in solving management problems?

UNIT V

DEVELOPING A BUSINESS PLAN

UNIT TEST--PART 3

A. What are the two main sections of the business plan?

1.

2.

B. Place a check beside each of the following items that should be included in a business plan.

_____ 1. A description of the company and the products to be made

_____ 2. A description of the market

_____ 3. A description of the marketing strategy

_____ 4. A description of the management

_____ 5. A description of the financial data

C. Place a check beside each of the following statements that are true.

_____ 1. A business plan should tell where the business will be located.

_____ 2. A business plan does not need to include any special safety features that need to be added, such as doors, walkways, fire extinguishers, etc.

_____ 3. The entrepreneur should not care if other people are doing what he/she proposes to do.

_____ 4. An entrepreneur should include in the business plan how the proposed product or service is different from that which is being offered.

_____ 5. The supplies, equipment, etc. that will be needed to produce the entrepreneur's product should not be included in the business plan.

_____ 6. The business plan should include a description of the company but not a description of the market.

_____ 7. An entrepreneur needs to be concerned with who will purchase the product.

_____ 8. The business plan should include a description of the marketing strategy.

_____ 9. How advertisement will be done is not a concern of the entrepreneur.

_____ 10. An entrepreneur should include in the business plan what his/her plans are, if any, for expanding the business.

UNIT VI

BUSINESS OWNERSHIP

UNIT OBJECTIVE

After completion of this unit, the student will know key concepts of business ownership and how these are important to business success. This knowledge will be evidenced through demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit of instruction, the student will:

1. List three ways the business manager works well with other people
2. Know that the business manager's job is rewarding
3. List three types of expenses in entrepreneurships
4. List at least three sources of money for business operations
5. List three types of financial records the entrepreneur should keep
6. Identify the duties of a personnel manager
7. Know what benefit programs are and be able to list two types of employee benefits
8. List several types of problems that entrepreneurs may have
9. List 10 steps to solving business problems
10. Know that wise entrepreneurs try to foresee business problems before they happen
11. List two types of government laws which entrepreneurs should obey
12. Know that laws can be found on many levels
13. Know when to consult a lawyer for legal help
14. Identify four types of business contracts
15. List five circumstances that will invalidate a contract
16. Define advertising and sales
17. Know that advertising and sales are important for business success
18. List three places where the entrepreneur can advertise
19. List the four parts in making a sale

UNIT VI

BUSINESS OWNERSHIP

NOTES TO THE INSTRUCTOR

I. Objective Sheet

A. Discuss the unit objective with the students.

B. Discuss each specific objective.

C. Have the students complete the objectives in a sequence best suited to your classroom.

D. Add any objectives necessary to meet fully the needs of the unit and the student.

II. Information and Activity Sheets

(NOTE: There are seven Information Sheets contained in this unit. Some of these Information Sheets, or parts of them, may not apply to your particular students. For example, Information Sheet 3 concerns managing the finances. Some of this information, such as finding different ratios and percentages, will be difficult for some students and should be omitted. In all cases, however, only that information which is considered essential and basic in each Information Sheet is covered in the unit test. Feel free to omit and cover only those parts of the unit which you deem necessary, that decision being based upon students' needs and/or the time allotted for such study. For purposes of instruction and introduction into entrepreneurship, Information Sheets 1, 2, 3, and 5 are highly recommended.)

A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Review the terms and definitions with the students.

2. Use ACTIVITY SHEET 1--WORD FIND to reinforce this area of instruction.

3. Select only those terms which correspond to the Information Sheets that you plan to cover in class.

B. INFORMATION SHEET 2--THE BUSINESS MANAGER

1. Help students to understand that the business manager has many responsibilities.

2. Use ACTIVITY SHEET 2--THE BUSINESS MANAGER to reinforce this area of instruction.

3. Use TM-1--A GOOD BUSINESS MANAGER WORKS WELL WITH OTHERS to supplement this area of instruction.

C. INFORMATION SHEET 3--MANAGING THE FINANCES

1. Select before class only that portion of this information which you think necessary to cover.

2. Help students to see that technical assistance is important in financial management.

3. Review the many types of expenses involved in business ownership.

4. Review the many types of sources for financial aid.

5. Help your students to understand that financial records are very important to business success.

6. Use ACTIVITY SHEET 3--LEARNING ABOUT FINANCES to help understand how records can be used.

7. Make TM's from ACTIVITY SHEET 3 if needed.

8. Use ACTIVITY SHEET 4--FAMILY FINANCES to help the student see how the control of money is important not only in a business but wherever he/she is.

D. INFORMATION SHEET 4--PERSONNEL MANAGEMENT

1. Review the many responsibilities of a personnel manager.

2. Use TM-2--PERSONNEL MANAGER to help reinforce this area of instruction.

3. Help the students to understand that the personnel manager is involved in all types of business operations.

4. Help the students to see that many of them will be personnel managers in their businesses.

5. Use ACTIVITY SHEET 5--PERSONNEL MANAGEMENT to reinforce this area of information.

6. Use ACTIVITY SHEET 6--TRUE OR FALSE to help students understand the personnel manager's responsibilities.

7. Use ACTIVITY SHEET 7--YOUR EMPLOYEES to help students to begin seeing themselves as potential personnel managers.

E. INFORMATION SHEET 5--PROBLEM SOLVING

1. Review with the students all the steps involved in solving problems.

2. Use ACTIVITY SHEET 8--SOLVING PROBLEMS to reinforce this area of instruction.

3. Use TM-3--STEPS TO SOLVING PROBLEMS to help students learn this material.

4. Tell the students that they will need to know this material for the unit test.

F. INFORMATION SHEET 6--LEGAL ISSUES

1. Inform the students that their businesses must conform to the laws.
2. Give examples of laws of which the student should be aware.
3. Help students to see lawyers as valuable aids in technical assistance.
4. Review the different types of contracts.
5. Help the students to identify when contracts may not be valid.
6. Use ACTIVITY SHEET 9--LEGAL ISSUES to reinforce this area of information.
7. Use ACTIVITY SHEET 10--CASE EXAMPLES to help students understand more about contracts.
8. Use ACTIVITY SHEET 11--LEARNING ABOUT LEGAL MATTERS to help students understand how laws may affect their business.
9. Use TM-4--LAWYERS CAN HELP to help reinforce this information.
10. Use TM-5--A CONTRACT MAY BE NO GOOD to help reinforce this information.

G. INFORMATION SHEET 7--ADVERTISING AND SALES

1. Help students to understand that advertising and sales are essential for business success.
2. Emphasize the point that advertisement helps people know about the products of the entrepreneurship.
3. Advertisement should be used to reach a certain type of customer.
4. Many things should be considered before advertising.
5. Identify the four parts of a sale.
6. Help students to understand the difference between people's needs and wants.
7. Help students to understand how credit may help entrepreneurships.
8. Review the importance of a credit card application.
9. Use ACTIVITY SHEET 12--ADVERTISING AND SALES to help reinforce this area of information.
10. Use ACTIVITY SHEET 13--WRITING AN AD to help students begin learning the skills of advertising.

11. Use TM-6--PEOPLE WHO WORK WITH CUSTOMERS to help reinforce this area of information.

12. Use TM-7--CUSTOMERS HAVE TWO MOTIVES to help students understand the difference between wants and needs.

III. Answers To Activity Sheets

IV. Unit Test

A. The test is divided into seven parts.

1. Each part covers one Information Sheet.

2. Each part uses various testing methods.

B. Various approaches may be used in testing.

1. Give each part of the test after the student has completed the information in one information area or sheet.

2. Give the entire test upon completion of all the Information and Activity Sheets.

3. Give one or several parts of the test as an additional assignment to reinforce problem areas of learning.

C. Add test parts corresponding to any information areas or sheets added to the unit.

V. Answers to the Unit Tests

A. Answers are based on total information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

VI. References and Resources

A. Ashmore, Catherine and Sandra G. Pritz. Program for Acquiring Competence in Entrepreneurship (PACE). Ohio State University: The National Center for Research and Development, Series No. 240.

1. "Managing the Business" (Unit 11)
2. "Financing the Business" (Unit 8)
3. "Planning the Marketing Strategy" (Unit 6)
4. "Complying With Government Regulations" (Unit 10)
5. "Dealing With Legal Issues" (Unit 9)
6. "Managing Customers and Credit Collections" (Unit 17)

B. Holt, Nancy et al. CRC Education and Human Development, Inc. Belmont, Mass. 79 364P. Minding Your Own Small Business--An Introduction Curriculum for Small Business Management. Vol. 1. Ed. 173 623.

C. Lyon, Barbara Jean. Business Management and Ownership. Oklahoma State Board of Vocational and Technical Education. Stillwater: Okla. Curriculum and Instructional Materials Center, 1982.

D. *Operating Your Own Business: Instructors Guide*. Curriculum Distributive Education: Missouri University. Columbia Instructional Laboratory.

E. Persons, Edgar A. Be Your Own Boss: Introducing Entrepreneurship. Professional Development Series No. 5. AVA, Inc., Arlington, VA, 1982. Ed. 212 888.

F. "Plain Talk About Profits." *Fundamentals of Free Enterprise, No. 2. Revised*. Fletcher National Bank and Trust Company: Indianapolis, Ind.

G. Rowe, Kenneth L. and Hutt, Roger H. *Preparing for Entrepreneurship*. Arizona State University. Tempe College of Business Administration, 1979. Ed. 201 751.

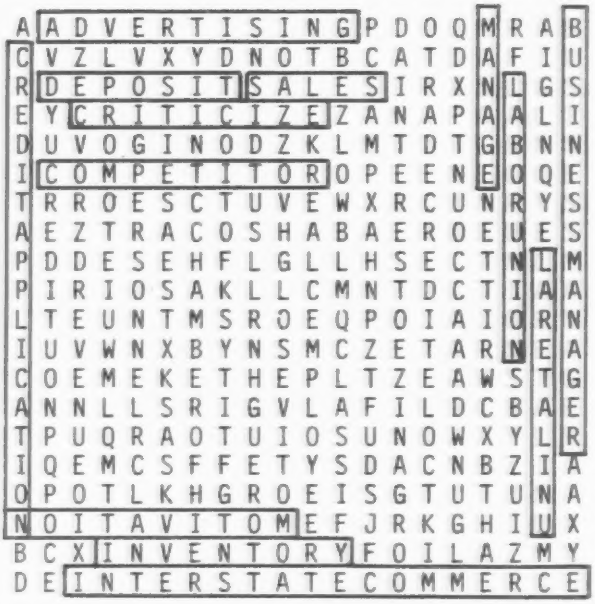
UNIT VI

BUSINESS OWNERSHIP

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1

A.



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A A D V E R T I S I N G P D O Q M R A B
C V Z L V X Y D N O T B C A T D A F I U
R D E P O S I T S A L E S I R X N L G S
E Y C R I T I C I Z E Z A N A P A A L I
D U V O G I N O D Z K L M T D T G B N N
I C O M P E T I T O R O P E E N E O Q E
T R R O E S C T U V E W X R C U N R Y S
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P D D E S E H F L G L L H S E C T N L M
P I R I O S A K L L C M N T D C T I A A
L T E U N T M S R O E Q P O I A I O R N
I U V W N X B Y N S M C Z E T A R N E A
C O E M E K E T H E P L T Z E A W S T G
A N N L L S R I G V L A F I L D C B A E
T P U Q R A O T U I O S U N O W X Y L R
I Q E M C S F F E T Y S D A C N B Z I A
O P O T L K H G R O E I S G T U T U N A
N O I T A V I T O M E F J R K G H I U X
B C X I N V E N T O R Y F O I L A Z M Y
D E I N T E R S T A T E C O M M E R C E
```

B. Evaluated to the satisfaction of the instructor.

C.
1. Chamber of commerce--group of people who work to promote local businesses
2. Written contract--an agreement between two or more people that has been written on paper and on which the people have signed their names
3. Personnel manager--someone who manages the people in a business
4. Outstanding account--any bill that has not been paid
5. Real property--land and buildings
6. Oral contract--any agreement between two people that has not been put on paper
7. Unilateral contract--an offer to pay someone for doing something

ACTIVITY SHEET 2

A.
1. To plan and direct the work of others
2. To plan and direct the business so that goals may be reached

B. Any five of the following:

1. Listens to others
2. Is kind
3. Offers help and gives reasons to the employees for the decisions he/she makes
4. Does not criticize in public
5. Uses good motivation techniques
6. Gets technical assistance when needed

7. Makes wise decisions
8. Keeps up with employee changes
9. Is patient and knows that people will complain
10. Admits his/her mistakes
11. Does not take all the responsibilities but lets everyone do his/her part of the work

C. 1. ✓
2. ✓
3. ✓
4. ✓
5. ✓
6. ✓
7. ✓
8. ✓
9. ✓
10. ✓
11. ✓

D. Any three of the following:

1. plans how the business will run
2. organizes the work of the business
3. staffs the working of the business with employees
4. tries to see problems before they happen
5. directs the work of the business
6. decides if the work of the business is going as planned

E. 1. ✓
2. ✓
3. ✓
4. X
5. X
6. X

ACTIVITY SHEET 3

A. $1175.00
B. 5919.00
C. $10,000.00
D. 1029.25
E. 7690.25
F. $5425.00
G. 54%
H. 25%

ACTIVITY SHEET 4

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 5

1. responsible
2. treat
3. personnel management
4. problems
5. labor unions
6. eight
7. benefit programs
8. costly
9. promotion
10. customers

ACTIVITY SHEET 6

1. ✓
2. ✓
3. ✓
4.
5. ✓
6.
7.
8. ✓
9. ✓
10. ✓

ACTIVITY SHEET 7

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 8

A. Any three of the following:

1. Equipment may break.
2. Employees may quit.
3. Customers may not pay their bills.
4. Products may not be delivered.
5. Employees may not show up for work.
6. Weather can keep some entrepreneurs from finishing their jobs.
7. Business partners may not do their part of the work.

B. 1. True

2. True

3. False

C. 1. Find the problem.
2. Get facts about the problem.
3. Decide what you want.
4. Find out what you have to work with.
5. Try to find many solutions to your problems.
6. For each solution, think what may happen if that solution is used.
7. Find a solution that will help get what you want.
8. Decide if you need to change your goals.
9. Put your plan into action.
10. Check the results; did you get what you wanted?

D. 1. yes
2. yes
3. no
4. yes
5. no
6. yes
7. yes

ACTIVITY SHEET 9

A. 1. ✓
2. ✓
3.
4. ✓
5.
6. ✓
7.
8. ✓
9.
10.

B. 1. Federal
2. State
3. City
4. County

C. 1. changing the organizational structure of the business
2. buying of property
3. legal actions taken against the entrepreneur
4. credit problems or with customers who do not pay
5. explaining new laws that may affect the entrepreneur

D. Any two of the following:

1. He/she can help the entrepreneur to understand what the contract means.
2. Contracts can be hard to understand.
3. There are many types of contracts.
4. There are many parts to a contract.

E. 1. unilateral
2. bilateral
3. oral
4. written

F. 1. when money is involved
2. when land is sold, leased, or rented
3. if the agreement will take a year or more to fulfill
4. when there is a purchase of real property of $500 or more

G. 1. if it does not have an agreement
2. if it does not have a consideration
3. if the people involved do not have a legal right to contract
4. if the contract goes against other laws
5. if the contract does not represent the truth

ACTIVITY SHEET 10

A. There is not an agreement.

B. The people involved do not have a legal right to contract; the boy is a minor.

C. Contract goes against other laws.

(NOTE: It may be illegal to empty into a river, especially if there is a chance that dangerous chemicals are in the water.)

D. The contract does not represent the truth.

ACTIVITY SHEET 11

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 12

A. 1. ✓
2.
3. ✓
4.
5. ✓
6. ✓
7. ✓
8. ✓
9. ✓
10. ✓

B. 1. Greeting the customers
   2. Finding out what the customer wants
   3. Letting the customer know about the products and services
   4. Closing the sale

C. 1. wants
   2. needs

D. Any three of the following:

1. ability to get along well with people
2. respect for the customer
3. trustworthiness
4. belief in the product
5. honest
6. listening ability

E. Any five of the following:

1. your cost
2. the cost of running the business
3. number of products available for sale
4. need for the product
5. desired profit
6. quality of the product
7. inflation
8. supply
9. law

F. 1. It helps the customer know you trust him/her.
   2. People who buy on credit may not be concerned about what the product costs.
   3. Credit helps people to buy when they do not have cash.

G. Any three of the following:

1. Is the person employed?
2. Is the income correct?
3. Does the customer have a bank account?
4. Does the local credit bureau have information on the customer?

ACTIVITY SHEET 13

Evaluated to the satisfaction of the instructor.

UNIT VI

BUSINESS OWNERSHIP

ANSWERS TO UNIT TEST

PART 1

1. p
2. m
3. g
4. t
5. j
6. h
7. r
8. l
9. k
10. f
11. c
12. b
13. d
14. q
15. a
16. s
17. e
18. i
19. n
20. o

PART 2

1. ✓
2.
3. ✓
4.
5. ✓
6.
7. ✓
8. ✓
9.
10. ✓
11. ✓
12.
13. ✓
14.
15. ✓
16.
17. ✓
18. ✓
19.
20. ✓

PART 3

A. 1. start-up costs
   2. operating expenses
   3. personal expenses

B. 1. deposits
   2. advertising
   3. legal expenses
   4. fixtures

C. 1. supplies
   2. inventory

D. 1. food
   2. transportation

E. 1. from the entrepreneur (savings, checking, etc.)
   2. may borrow the money
   3. may begin a franchise business

F. 1. profit and loss statement
   2. cash flow statement
   3. balance sheet

G. 1. P
2. P
3. C
4. B
5. B

PART 4

A. 1.
2. ✓
3. ✓
4. ✓
5.
6. ✓
7. ✓
8.
9. ✓
10. ✓
11. ✓
12. ✓
13. ✓
14.
15. ✓
16.
17. ✓

B. 1. ✓
2. ✓
3. ✓
4. ✓
5. ✓
6.
7. ✓

PART 5

A. 1. If business problems are solved too quickly, then better solutions may be overlooked.
2. If business problems are solved quickly, then money and time will not be wasted.
3. If business problems are not handled quickly, then more problems could develop.
4. Entrepreneurs must know how to correct problems.

B. 1. Find the problem.
2. Get facts about the problem.
3. Decide what you want.
4. Find out what you have to work with.
5. Try to find many solutions to your problems.
6. For each solution, think what may happen if that solution is used.
7. Find a solution that will help get what you want.
8. Decide if you need to change your goals.
9. Put your plan into action.
10. Check the results; did you get what you wanted?

C. 1. ✓
2. ✓
3.
4.
5. ✓
6. ✓

PART 6

A. 1. ✓
2. ✓
3.
4. ✓
5. ✓
6. ✓
7. ✓
8.
9. ✓
10. ✓

B. 1. changing the organizational structure of the business
2. buying of property
3. legal actions taken against the entrepreneur
4. credit problems or with customers that will not pay
5. explaining new laws that may affect the entrepreneur

C. 1. unilateral
2. bilateral
3. oral
4. written

D. Any three of the following:
1. when there is money involved
2. when land is sold, leased, or rented
3. if the agreement will take a year or more to fulfill
4. when there is a purchase of real property of $500.00 or more

E. Any four of the following:
1. if it does not have an agreement
2. if it does not have a consideration
3. if the people involved do not have a legal right to contract
4. if the contract goes against other laws
5. if the contract does not represent the truth

PART 7

A. 1. ✓
2. ✓
3.
4.
5. ✓
6.
7.
8. ✓
9. ✓
10. ✓

B. 1. How will the advertising be done?
2. Who will the advertising try to reach?
3. What are you trying to say about the product or service?

C. 1. greeting the customers
2. finding out what the customer wants
3. letting the customer know about the products and services
4. closing the sale

D. Any three of the following:

1. Is the person employed?
2. Is the income correct?
3. Does the customer have a bank account?
4. Does the local credit bureau have information on the customer?

BUSINESS OWNERSHIP

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Advertising--how an entrepreneur lets people know what products and services he/she has to sell

2. Average collection time--the length of time it usually takes for people to pay their bills

3. Bilateral contract--a contract in which two people agree to do something (Example: If John agrees to sell his stereo and Mary agrees to pay $250.00 for it, they have made a bilateral contract.)

4. Business manager--someone who plans how the work for the business will be done

5. Chamber of commerce--a group of people in a town or city who work to promote local businesses

6. Classify--to decide how hard some jobs are and if there needs to be special training to do a job

7. Competitor--a business or person who sells the same products and services as the entrepreneur

8. Contract--an agreement to do something

9. Counsel--to help people decide what they want or need and how they can get these things

10. Credit--to pay for something over a long period of time instead of all at once

11. Credit application--a form on which a customer puts down information about him/herself; this information helps the entrepreneur to decide if a customer should have credit

12. Criticize--to tell someone that he/she can do better work than what he/she is doing

13. Current liabilities--what an entrepreneur's debts are at the present time

14. Customer--anyone who buys products and services from an entrepreneur

15. Deposits--money that an entrepreneur pays to begin getting service (Example: Deposits may be paid to a telephone company in order to get your telephone line connected.)

16. Employee--someone who works for and is paid by the entrepreneur to work in the business

17. Employee benefits--anything which the employee can get through the business at a lower cost

(Example: Some stores will let employees buy products for less than what regular customers pay.)

18. Finance--having to do with money

    (NOTE: Finance companies help entrepreneurs get money for different reasons. The entrepreneur pays the finance company back.)

19. Franchise--the selling and buying of a company's business plans so that a business just like that one can be started
    (Example: McDonalds, Pizza Inn, Putt-Putt)

20. Fixtures--anything that might be fixed to the building, such as lights, decorations, etc.

21. Fringe benefits--anything which the employee gets credit for but which is paid for by the entrepreneur
    (Example: paid vacations, health insurance, and paid holidays)

22. Interest--an amount of money that is to be paid to someone because products or services were bought on credit

23. Interstate commerce--the sale of products and services to people in another state

24. Inventory--the products which the entrepreneur has on hand

    (NOTE: Sometimes the entrepreneur will keep an inventory of business supplies.)

25. Labor unions--a group who has been formed to help meet the needs of workers

26. Manage--to direct the work of the business or some part of it

27. Motivation--having to do with the actions of a person which helps him/her to get a job done

28. Motives--the things a person wants or needs which helps him/her to do something
    (Example: A person may work hard at two jobs because he/she wants a new car.)

29. Occupational Safety and Health Act (OSHA)--a law passed in 1970 that has as its main concern the safety of people at work

30. Oral contract--any agreement between two people that has not been put on paper

31. Organize--to put things in order

32. Outstanding account--any bill that has not been paid

33. Personnel manager--someone who manages the people in a business

34. Promote--to help build the respect or use of something through some type of advertisement

35. Real Property--land and buildings

36. Revenue--the money taken in by an entrepreneurship by selling products or services

37. Sales--the work of getting a customer to buy a product or service

38. Trade credit--the action of buying products or supplies by the entrepreneur by using credit

39. Unilateral contract--an offer to pay someone for doing something
(Example: Jean offers to pay Harry $20.00 a week to sweep the sidewalk in front of her store.)

40. Written contract--an agreement between two or more people that has been written on paper and on which the people have signed their name

INFORMATION

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 1--WORD FIND

A. Find the following terms in the word find below by drawing a circle around the term.

- advertising
- classify
- competitor
- business manager
- manage
- credit application
- credit
- criticize
- deposits
- promote
- employee
- interest
- interstate commerce
- inventory
- labor unions
- motivation
- motives
- OSHA
- organize
- revenue
- sales
- trade credit
- unilateral

```
A A D V E R T I S I N G P D O Q M R A B
C V Z L V X Y D N O T B C A T D A F I U
R D E P O S I T S A L E S I R X N L G S
E Y C R I T I C I Z E Z A N A P A A L I
D U V O G I N O D Z K L M T D T G B N N
I C O M P E T I T O R O P E E N E O Q E
T R R O E S C T U V E W X R C U N R Y S
A E Z T R A C O S H A B A E R O E U E S
P D D E S E H F L G L L H S E C T N L M
P I R I O S A K L L C M N T D C T I A A
L T E U N T M S R O E Q P O I A I O R N
I U V W N X B Y N S M C Z E T A R N E A
C O E M E K E T H E P L T Z E A W S T G
A N N L L S R I G V L A F I L D C B A E
T P U Q R A O T U I O S U N O W X Y L R
I Q E M C S F F E T Y S D A C N B Z I A
O P O T L K H G R O E I S G T U T U N A
N O I T A V I T O M E F J R K G H I U X
B C X I N V E N T O R Y F O I L A Z M Y
D E I N T E R S T A T E C O M M E R C E
```

B. Choose five of the terms above and make a sentence using those words.

1.

2.

3.

4.

5.

C. Give the definition for each term listed below.

1. chamber of commerce--

2. unilateral contract--

3. business manager--

4. outstanding account--

5. real property--

6. bilateral contract--

7. oral contract--

BUSINESS OWNERSHIP

INFORMATION SHEET 2--THE BUSINESS MANAGER

I. The manager's task is to plan and direct.

   A. The work of others.

   B. The business so that goals may be reached

II. A good manager works well with other people.

   A. Listens to others

   B. Is kind

   C. Offers help and gives reasons to the employees for the decisions he/she makes

   D. Does not criticize in public

   E. Uses good motivation techniques

   F. Gets technical assistance when needed

   G. Makes wise decisions

   H. Keeps up with employee changes

   I. Is patient and knows that people will complain

   J. Admits his/her mistakes

   K. Does not take all the responsibilities but lets everyone do his/her part of the work

III. The manager works hard.

   A. To plan how the business will run

   B. To organize the work of the business

   C. To staff the working of the business with employees

   D. To try and see problems before they happen

   E. To direct the work of the business

   F. To decide if the work of the business is going as planned

IV. The manager must work with many people.

   A. Employees
      1. Hires new employees

        2. Decides the jobs of employees
    B. Customers
        1. Helps set the cost of products
        2. Works with customer complaints
V. The manager has many problems.
    A. Many jobs are going on at one time.
    B. The manager must remember the details of many projects.
    C. The manager must work with many people.
VI. The manager must learn how to solve problems.
VII. The manager's job can be rewarding.
    A. The success of the business may be due to the manager's decisions.
    B. Managers can use all their skills.
    C. Managers can work with many types of people.
VIII. The business manager has an important job.

A GOOD BUSINESS MANAGER WORKS WELL WITH OTHERS

- Listens to others
- Is kind
- Offers help and gives reasons to the employees for the decisions he/she makes
- Does not criticize in public
- Uses good motivation techniques
- Gets technical assistance when needed
- Makes wise decisions
- Keeps up with employee changes
- Is patient and knows that people will complain
- Admits his/her mistakes
- Does not take all the responsibilities but lets everyone do his/her part of the work

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 2--THE BUSINESS MANAGER

A. What are two tasks of the manager?

1.

2.

B. List five ways in which a good manager works well with other people.

1.

2.

3.

4.

5.

C. Place a check to the left of ways in which a good manager works well with other people.

_____ 1. Listens to others

_____ 2. Is kind

_____ 3. Offers help and gives reasons to the employed for the decisions he/she makes

_____ 4. Does not criticize in public

_____ 5. Uses good motivation techniques

_____ 6. Gets technical assistance when needed

_____ 7. Makes wise decisions

_____ 8. Keeps up with employee changes

_____ 9. Is patient and knows that people will complain

_____ 10. Admits his/her mistakes

_____11. Does not take all the responsibilities but lets everyone do his/her part of the work

D. List three ways in which the manager works hard.

1.

2.

3.

E. Place a "✓" beside each statement that describes the many problems of a manager. Place an "X" beside each statement that describes how a manager's job can be rewarding.

_____1. Managers can work with many types of people.

_____2. The manager must remember the details of many projects.

_____3. The manager must work with many people.

_____4. The success of the business may be due to the manager's decisions.

_____5. Managers can use all their skills.

_____6. Many jobs are going on at one time.

BUSINESS OWNERSHIP

INFORMATION SHEET 3--MANAGING THE FINANCES

I. As an entrepreneur, you will need to manage your finances.

    A. You may get technical assistance to help with finances.

        1. You cannot trust everyone.

        2. Some people rob entrepreneurs.

        3. You should not trust others to manage your finances without knowing the other person well.

    B. You can learn how to manage your finances.

        1. You can take classes to learn how.

        2. You can order books and papers from the Small Business Administration.

II. Many types of costs exist in the new business which you should know about.

    A. Start-up costs

        1. Deposits for utilities, buildings, and products

        2. Advertising to let others know about your business

        3. Legal expenses

            a. Purchase of land

            b. Starting of partnerships

        4. Fixtures and decorations for the business

    B. Operating expenses

        1. Supplies that will keep the business going

        2. Inventory or products that will be sold

    C. Personal expenses

        1. Food

        2. Transportation

III. Money for your business operation will come from many places.

    A. You will supply much of the money.

        1. From your savings

2. From family
3. From friends
4. Selling stock in the business

B. You may borrow money.

1. From banks
2. From credit unions
3. From finance companies
4. From your life insurance
5. From the Small Business Administration (SBA)
    a. The SBA works to help the entrepreneur to get bank loans.
    b. The SBA may loan the entrepreneur the money.

C. You may begin a franchise business.

1. The parent company may loan you money.
2. The parent company may help you to finance the new business.

D. You may obtain trade credit.

1. You will get your products from someone else.
2. After you have sold your products, you will pay that person back.

(NOTE: Many grocery stores work on trade credit. After the store sells the products, it will repay the person.)

E. You may sell your outstanding accounts to someone else.

1. A business will buy your outstanding accounts.
2. The business that buys your outstanding account will then collect the money owed.

IV. You will need to keep good records of your money.

A. You will need a profit and loss statement.

1. Lets you know if your business is making money
2. Will be used to let people who gave you money know how your business is doing.
    a. The person from whom you borrowed money may not lend you more money if your business will not make money.

        b. The person from whom you borrowed money may lend you more money if your profit and loss statement shows that you will earn money in the business.

    3. Records what happens to your money over a period of time.

    4. Should include:

        a. Total sales

        b. Cost of goods

        c. Gross profit

        d. Expenses

        e. Net profit

B. You will need a cash flow statement.

    1. Lets you know how much money you can get right away if you need it

    2. Is needed for the day-to-day working of the business

    (NOTE: Please see Unit IV to obtain more information on cash flow.)

C. You will need a balance sheet.

    1. Tells what you own and what you owe

    2. May change often

        a. You may want to keep a balance sheet by the month.

        b. You may want to keep a balance sheet by the year.

    3. Helps you to see what happens to the cash flow

    4. Has information about the business

        a. Assets

        b. Liabilities

        c. Net worth

V. You should be able to tell how well your business is doing by the financial records.

A. Are you getting a good return on your investment?

    1. Your job is to make a profit.

    2. You must be able to get your investment back or you will lose money.

    3. The return on investment will tell you how much you are making after you get your money back.

4. The return on investment can be found by dividing the equity into the net profit and expressing the result as a percentage.

   (NOTE: Return on Investment = $\frac{\text{Net Profit}}{\text{Equity}}$)

5. If the percentage is low, you could put your money somewhere else and get a better return on your investment.

   (NOTE: If the return on investment is 2%, for example, you could put your money in a bank where you could get a better return. It may take a year or two for some entrepreneurships to get a high return.)

B. You should be able to find your profit margin.

1. Shows how much profit you are earning; if the profit is low, you may need to raise the prices or lower the operating cost.

2. Helps you decide if the prices set on products or services are too high or too low

3. Helps you decide if the operating costs of the business are too high

4. Can be found by dividing the sales into the profit

   (NOTE: Profit margin = $\frac{\text{Net profit}}{\text{Sales}}$)

C. You should be able to find your investment turnover.

1. Tells how fast products and services are sold

2. Shows how quickly you are getting your money back

3. A slow return on investment may not allow building of large profits and business

4. Found by dividing the equity into the total sales

5. Is not a percentage, but a ratio

   (NOTE: Investment Turnover = $\frac{\text{Sales}}{\text{Equity}}$)

6. You will want to find your investment turnover rate once or twice a year.

7. If products and services are not sold fast enough, you may be getting a slow return on investment.

D. You should be able to find your inventory turnover rate from the financial records.

1. Tells you how quickly products and services are being sold

   a. If the turnover rate is low, you may have too much money tied up in the inventory.

b. Money that is tied up in the inventory can not be used for other business purposes.

(NOTE: Inventory Turnover Rate = $\frac{\text{Total Revenue}}{\text{Avg. Inventory}}$)

2. Shown as a ratio, not as a percentage

E. You should be able to find the average collection time on products and services sold.

1. Tells how long it takes for people to pay their bills

a. If it takes a long time to get money from customers, you may not have a good cash flow, profit margin, or investment turnover rate

b. The longer it takes to get the money that people owe, the longer your money will be tied up in accounts receivable.

c. Accounts receivable are the bills of customers that are not yet paid.

d. Money that you cannot use may take away from the day-to-day work of the business.

2. Can be found in two steps

a. Divide 360 days into sales to find the average sales per day.

(NOTE: Average Sales Per Day = $\frac{\text{Sales}}{360}$)

b. Divide the average sales per day into the accounts receivable.

(NOTE: Average Collection Time = $\frac{\text{Accounts receivable}}{\text{Average sales per day}}$)

3. Should not be more than one and one-half times greater than the time allowed for people to pay their debts

(NOTE: If a business allows a customer ten days to pay for a product or service, then the account should be paid by the fifteenth day.

10 days allowed for credit
x 1.5
15.00 days in which bill must be paid.)

F. You should be able to find the current ratio from your financial records.

1. Tells if the business has enough money to pay its bills

a. You may want to pay your bills without having to sell personal property should the business fail.

b. Can you pay all your debts by selling the company?

2. Can be found by dividing the current assets by the current liabilities.

(NOTE: Current Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$)

VI. Computers now help many small businesses to handle their financial records.

A. You can program your personal computers to find the information needed.

B. Some computer companies have software which will help you keep up-to-date with financial operations.

C. You may want to use a computer to help you manage the finances.

BUSINESS OWNERSHIP

ACTIVITY SHEET 3--LEARNING ABOUT FINANCES

One of the deals that Ronny and Roger made when they formed their partnership was that they would teach each other. Roger is in the process of showing Ronny what their financial records look like. Review the following records and answer the following questions.

A. What was the total start-up cost? ______________

B. What are the total operating costs per month? ______________

C. How much did Ronny and Roger borrow from First National Savings? ______________

D. How much trade credit did Ronny and Roger begin with? ______________

E. What was their net profit for the first quarter of 1985 (January - April)? ______________

F. How much cash do Ronny and Roger have should they need it? ______________

G. What is the return on investment? ______________

H. What is the profit margin? ______________

FINANCIAL RECORD
R AND R'S NEW AND USED CARS AND PARTS
FIXED BUSINESS COSTS

A. Start-up Costs			
1. Building Down Payment		$ 300.00	
2. Utililty Deposits		200.00	
3. Fixtures			
a. Fencing Supplies		275.00	
b. Building Improvements		400.00	
	Subtotal		$1175.00
B. Operating Costs Per Month			
1. Building and Land Lease		500.00	
2. Utilities			
a. Water		44.50	
b. Electricity		275.00	
3. Phone		125.00	
4. Salaries		2800.00	
5. Loan Repayments		1000.00	
	Subtotal		4744.50
	TOTAL		$5919.50

FINANCIAL RECORD
R AND R'S NEW AND USED CARS AND PARTS
SOURCES FOR START-UP COSTS

A. Personal Savings		
1. Ronny	$ 2,000.00	
2. Roger	2,000.00	
		$ 4,000.00
B. Loans		
1. First National Savings	10,000.00	
2. Friends	500.00	
		10,500.00
TOTAL		$14,500.00

FINANCIAL RECORD
R AND R'S NEW AND USED CARS AND PARTS
STATEMENT OF TRADE CREDIT
JANUARY 1 — FEBRUARY 1

A.	Rudolf's Wholesale		
	1. 10 Car Batteries @ $19.75	$197.50	
	2. 15 Boxes of D-1 Spark Plugs @ $11.75 per box	176.25	
		$373.75	$ 373.75
B.	Texas Tires		
	1. 1 Set of SR78-14	$140.00	
	2. 1 Set of JM-131	110.00	
	3. 1 Set of SX85S	135.00	
	4. 1 Set of Chrome Wire Covers	215.00	
		$600.00	973.75
C.	MFG Auto Supplies, Inc.		
	1. 2 Cases of Car Wax @ $10.75 per case	$ 21.50	
	2. 2 Boxes Assorted Window Wipes @ $7.50 per box	15.00	
	3. 4 Boxes Assorted Light Bulbs @ $4.75 per box	19.00	
		$ 55.50	1029.25
	TOTAL (owed)		$1029.25

FINANCIAL RECORD
R AND R'S NEW AND USED CARS
PROFIT AND LOSS STATEMENT
JANUARY – APRIL, 1985

A. Total Sales			
1. Cash	$12,198.00		
2. Credit	18,000.00		
			$30,198.00
B. Cost of Goods Sold			
1. Starting Inventory	$ 1,029.25		
2. Purchases	5,900.00		
		$ 6,929.25	
C. Less Inventory		4,000.00	
D. Cost of Products Sold		$ 2,929.25	2,929.25
E. Gross Products Sold			$27,268.75
F. Expenses (4 months)			
1. Salaries		$11,200.00	
2. Utilities		1,778.00	
3. Building Lease		2,000.00	
4. Loan Repayment		4,000.00	
		$18,978.00	$18,978.00
G. Profit Before Taxes			$ 8,290.75
H. Estimated Tax			600.00
NET PROFIT			$ 7,690.25

FINANCIAL REPORT
R AND R'S NEW AND USED CARS
CASH FLOW REPORT
JANUARY TO APRIL, 1985

1.	Cash on Hand			
	a. Beginning amount	$ 100.00		
	b. Cash Sales	12,198.00		
			$12,298.00	
2.	Withdrawals			
	a. To savings account	$ 1,000.00		
	b. To checking account	$10,900.00		
			11,900.00	
3.	Total Cash on Hand			$ 298.00
4.	Checking Account			
	a. Beginning Amount	$10,000.00		
	b. Deposits	10,900.00		
			$20,900.00	
	c. Withdrawals		18,000.00	
5.	Total in Checking		$ 2,900.00	2,900.00
6.	Savings Account			
	a. Beginning Amount	$ 3,225.00		
	b. Deposits	1,000.00		
			$ 4,225.00	
	c. Withdrawals		2,000.00	
7.	Total in Savings			2,225.00
8.	Total Cash Available			$5,425.00

FINANCIAL RECORDS
R AND R'S NEW AND USED CARS AND PARTS
RATIOS AND PERCENTAGES
JANUARY TO APRIL, 1985

A. $$\text{Return on Investment} = \frac{\text{Net Profit}}{\text{Equity}} = \frac{\$\ 7{,}690}{\$15{,}925} = 53\%$$

B. $$\text{Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}} = \frac{\$\ 7{,}690}{\$30{,}198} = 25\%$$

C. $$\text{Investment Turnover} = \frac{\text{Sales}}{\text{Equity}} = \frac{\$30{,}198}{\$15{,}925} = 1.9 \text{ to } 1$$

D. $$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{\$27{,}425}{\$11{,}500} = 2.5 \text{ to } 1$$

FINANCIAL REPORT
R AND R'S NEW AND USED CARS AND PARTS
BALANCE SHEET
JANUARY - APRIL, 1985

ASSETS

A. Current Assets		
1.	Cash	$ 5,425.00
2.	Accounts Receivable	18,000.00
3.	Inventory	4,000.00
4.	Total Current Assets	$27,425.00
B. Fixed Assets		
1.	Land and Buildings	$ 0,000.00
2.	Equipment	0,000.00
3.	Total Fixed Assets	$ 0,000.00
C.	TOTAL ASSETS	$27,425.00

LIABILITIES AND NET WORTH (EQUITY)

A. Current Liabilities			
1.	Accounts Payable	$1,000.00	
2.	Notes on Autos Purchased	0,000.00	
3.	Total Current Liabilities		$ 1,000.00
B. Long Term Liabilities			
1.	Bank Loans	$8,325.00	
2.	Personal Loans	2,000.00	
3.	Loans from Friends	175.00	
4.	Total Long Term Liabilities		10,500.00
C.	Total Liabilities		$11,500.00
D.	Owners Equity		15,925.00
			$27,425.00
E.	TOTAL LIABILITIES AND NET WORTH		$27,425.00

FINANCIAL RECORDS
BALANCE STATEMENT

Assets		
Cash	$460.00	
Inventory	100.00	
Total Assets		$ 560.00
Fixed Assets		
Land	$700.00	
Building	100.00	
Total Fixed Assets		800.00
TOTAL ASSETS		$1,360.00

Liabilities		
Current Liabilities	$100.00	
Notes	400.00	
Total Current Liabilities		$ 500.00
Long Term Liabilities		700.00
Total Liabilities		$1,200.00
OWNER'S EQUITY		160.00
		$1,360.00

(NOTE: Owner's Equity = Total Assets - Total Liabilities)

FINANCIAL RECORDS

Profit and Loss Statement

Total Sales	$500.00
Cost of Goods Sold	200.00
Gross Margin	$300.00
Expenses	100.00
Net Profit	$200.00

Cash Flow Statement

Money on Hand			
Beginning Balance	$100.00		
Withdrawals	20.00		
		$ 80.00	
Deposits		100.00	
Ending Balance			$180.00
Money in the Bank			
Beginning Balance Savings	$100.00		
Withdrawals	20.00		
		$ 80.00	
Deposits		200.00	
Ending Balance			280.00
Total Money Available			$460.00

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 4--FAMILY FINANCES

A home, just like a business, has to keep good financial records. How does your home keep up with the finances? Go to the person who keeps the financial records in your home and find out about the following:

1. Where does the income come from?

   (NOTE: People who work are really selling products. The product they are selling is themselves.)

2. What type of financial records are kept?

3. What happens when the liabilities are greater than the income?

4. What are the fixed monthly expenses?

5. How could the costs be cut back?

BUSINESS OWNERSHIP

INFORMATION SHEET 4--PERSONNEL MANAGEMENT

I. As an entrepreneur, you will be responsible for the people you hire.

  A. You may work only for yourself or with your business partner.

  B. You can hire others to help in the business.

    1. As the business grows, you need more help.

    2. If you hire people to work in the business, their needs will have to be provided for.

      a. Financial needs

      b. Benefits

  C. How you treat your employees will affect the success of the business.

II. Working with employees is called personnel management.

  A. As a personnel manager, you will need to rate the jobs in your business.

    1. How is a job helpful in the business?

    2. Who do you want to work with you and what kind of work will you expect?

  B. As a personnel manager, you will need to counsel your workers.

    1. Employees may have problems working with some people.

    2. Employees may have problems that affect the way they work.

  C. As a personnel manager, you will need to discipline your workers when business rules are broken.

    1. Business rules will need to be made.

    2. Discipline policies will need to be made.

    3. Technical assistance can help you to make business rules and discipline methods.

  D. As a personnel manager, you will need to know about labor unions.

    1. Labor unions work for the good of the employee.

    2. You may not want labor unions in your business.

      a. Labor unions may want the employees to be paid more than what you want to pay.

b. You may have to provide fringe benefits which makes the cost of goods and services increase.

E. As a personnel manager, you will need to develop rules for safety.

1. The Occupational Safety and Health Act (OSHA) was passed in 1970 to help with work safety.

2. One in eight people are hurt some time at work.

3. You will need to meet safety laws by providing:

a. safe place for working

b. safe tools

c. enough employees to handle the work load

F. As a personnel manager, you may choose to have benefit programs for your employees.

1. Benefit programs help keep employees working in a business.

2. It is costly to train new people, so it may be important for you to try and keep your employees working for you.

3. Many types of employee benefits can be offered.

a. How employees are paid

(1) Salary

(2) Hourly

(3) Commission

(4) Piece rate

(5) Combination

b. Health insurance for the employee

c. Paid vacations

d. Paid sick days

e. Retirement plans

f. Paid time for jury duty

g. Time off for military duty

h. Pay bonus during the year

i. Profit sharing plan

4. Employee benefits are costly to provide.

5. As a new entrepreneur, you may not want to provide employee benefits.

G. As a personnel manager, you will want to help your employees get better jobs.

1. Many employees like learning new skills.

2. By training the employee to do new jobs, you will keep you workers happy.

3. Training employees helps them to know that there may be a chance for promotion.

4. An employee who is well trained can help to meet the needs of customers.

III. Personnel managers must have many skills.

A. Setting goals, priorities, and deadlines

B. Supervising the work and not the workers

C. Understanding the jobs of many people

D. Communicating

E. Making business rules

1. Hiring people

2. Firing employees

3. Evaluating employees

F. Listening to the employees

G. Finding out what it takes for employees to do their best work

IV. As an entrepreneur, you will want to get technical assistance in putting together the best personnel management possible.

(NOTE: You will want to do the best that you can for your employees. Happy employees lead to business success.)

V. As an entrepreneur, you will want to know what kind of personnel management your competitors have.

A. Does your competitor pay his/her employees better than you do yours?

B. How does your competitor's employee benefits affect the costs that he/she charges for goods and services?

THE PERSONNEL MANAGER

- Will need to rate the jobs.
- Will need to counsel workers.
- Will need to discipline workers.
- Will need to know about labor unions.
- Will need to develop rules for safety.
- Will need to choose benefit programs for employees.

TM-2

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 5--PERSONNEL MANAGEMENT

Directions: Complete each of the sentences with one of the words listed below.

treat
customers
eight
labor unions
promotion
responsible
benefit programs
problems
costly
personnel management

1. As an entrepreneur, you will be ______________ for the people you hire.
2. How you ______________ your employees will affect the success of the business.
3. Working with employees is called ______________ ______________.
4. Employees may have ______________ that affect the way they work.
5. ______________ ______________ work for the good of the employee.
6. One in ______________ people are hurt on the job.
7. ______________ ______________ help keep employees working in a business.
8. Employee benefits are ______________ to provide.
9. Training employees helps them to know that there may be a chance for ________.
10. An employee who is well trained can help to meet the needs of ______________.

ACTIVITY

BUSINESS OWNERSHIP

ACTIVITY SHEET 6--TRUE OR FALSE

Place a check to the left of each statement that is True.

_____ 1. Personnel managers must have many skills.

_____ 2. Personnel managers must know how to set goals.

_____ 3. Personnel managers must know how to supervise the worker and not the work.

_____ 4. Personnel managers do not need communication skills.

_____ 5. Personnel managers should find out what it takes for employees to do their best work.

_____ 6. Personnel managers never need technical assistance.

_____ 7. Happy employees have nothing to do with business success.

_____ 8. You will want to know what kind of personnel management your competitors have.

_____ 9. You will want to know if your competitor pays his/her employees better than you do yours.

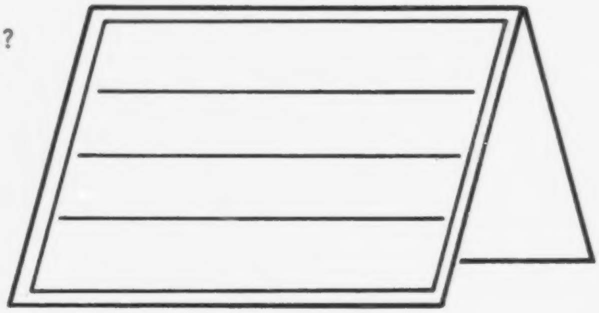
_____10. You will want to know how your competitor's employee benefits affect the costs that he/she charges for goods and services.

BUSINESS OWNERSHIP

ACTIVITY SHEET 7--YOUR EMPLOYEES

Directions: Answer each of the following questions. There are no right or wrong answers.

A. What was the name of your business?



B. How many employees do you think you will need?

C. What will be their jobs?

1.
2.
3.
4.
5.

D. Check each of the following topics that you may need to know about in order to be a good personnel manager.

_____1. labor unions
_____2. OSHA
_____3. fringe benefits
_____4. training employees
_____5. how to counsel employees
_____6. technical assistance

E. True or False. You can start out with small personnel management rules in your business. _____

ACTIVITY

F. What type of fringe benefits, if any, would you like to offer your employees?

1.

2.

3.

4.

5.

G. Talk with a teacher, friend, or parent and see that type of fringe benefits he/she gets on the job. What are these benefits and why are they important?

H. Personnel management will help you obtain business success. If you work for someone, how would you like to be treated?

1.

2.

3.

4.

5.

UNIT VI

BUSINESS OWNERSHIP

INFORMATION SHEET 5--PROBLEM SOLVING

I. Entrepreneurs have many problems in their businesses.

   A. Equipment may break down.

   B. Employees may quit.

   C. Customers may not pay their bills.

   D. Products may not be delivered.

   E. Employees may not show up for work.

   F. The weather can keep you from finishing the job.

   G. Business partners may not do their part of the work.

II. If you are going to be successful, you must be able to solve problems.

   A. If business problems are solved too quickly, then better solutions may be overlooked.

   B. If business problems are solved quickly, then money and time will not be wasted.

   C. If business problems are not handled quickly, then more problems could develop.

   D. Entrepreneurs must know how to correct problems.

III. Many steps are necessary to solve business problems.

   A. Find the problem.

   B. Get facts about the problem.

   C. Decide what you want.

   D. Find out what you have to work with.

   E. Try to find many solutions to your problems.

   F. For each solution, think what may happen if that solution is used.

   G. Find a solution that will help get what you want.

   H. Decide if you need to change your goals.

   I. Put your plan into action.

   J. Check the results; did you get what you wanted?

INFORMATION

IV. The more experience you have, the easier it will be to solve problems because you will have learned many things.

   A. What you have to work with

   B. What you can do without

   C. Ways of working out problems by experience

   D. Where to find technical assistance

   E. That you can solve problems

V. Wise entrepreneurs try to guess where there might be a problem in the future.

   A. If there might be a problem, you can try to keep it from happening.

      1. By having machine parts on hand

      2. By training other employees how to do more than one type of job

      3. By having a good business plan

   B. If you think that a problem is coming, you can prepare for it.

STEPS TO SOLVING PROBLEMS

- Find the problem.
- Get facts about the problem.
- Decide what you want.
- Find out what you have to work with.
- Try to find many solutions to your problems.
- For each solution, think what may happen if that solution is used.
- Find a solution that will help get what you want.
- Decide if you need to change your goals.
- Put your plan into action.
- Check the results; did you get what you wanted?

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 8--SOLVING PROBLEMS

A. Name three problems entrepreneurs have in their businesses.

1.

2.

3.

B. Answer the following statements True or False by placing a T for true or an F for False in the space provided.

_____1. If business problems are solved quickly, then money and time will not be wasted.

_____2. If business problems are not handled quickly, then more problems could develop.

_____3. Entrepreneurs do not need to know how to correct problems.

C. List the steps in solving problems.

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

D. Answer the following questions yes or no. Place your answer in the blank to the left of each statement.

_____1. The more experience you have, the easier it will be to solve problems.

_____2. You will learn what you have to work with.

_____3. You will not learn what you can do without.

_____4. You will learn ways of working out problems.

_____5. You will not need to find technical assistance.

_____6. You will learn that you can solve problems.

_____7. Wise entrepreneurs try to guess where there might be a problem in the future.

UNIT VI

BUSINESS OWNERSHIP

INFORMATION SHEET 6--LEGAL ISSUES

I. Dealing with legal issues will affect all entrepreneurs.

  A. Small entrepreneurships may not have many legal issues.

    1. If you are the sole-proprieter, you will need to pay income tax and social security.

    2. You may need some type of business permit.

    3. You will need to know if there are local and city laws that affect your business.

      a. If you work with dangerous materials, like acids, you should not work at home or in neighborhoods.

      b. If you have loud equipment, you should not work in neighborhoods.

      (NOTE: This is called noise pollution.)

    4. Businesses in the home might not have many laws to consider.

  B. Large entrepreneurships will have many legal issues to face.

    1. There will be many contracts.

      a. With other businesses

      b. With employees

    2. There will be laws about interstate commerce.

    3. There will be laws about partnerships, corporations, and stockholders.

II. The government has many laws.

  A. These laws help protect the American free enterprise economic system.

  B. Employees are protected by government laws.

    1. Equal Employment and Opportunity Act

      a. All people have a right to work.

      b. You, as an entrepreneur, must not keep people from working unless there is a good reason.

        (1) Some workers, because of health problems, may not be able to do some jobs.

        (2) Some jobs require training.

    2. Fair Labor standards
        a. Employees should be paid for their work.
        b. Employees should not be paid less than the minimum wage.
    3. Occupational Safety and Health Act
    4. National Labor Relations Act

C. The government tries to protect the environment.
    1. The environment is protected by the Environmental Protection Agency.
    2. It is against the law to pollute streams, rivers, and air.

D. The government tries to protect consumers.
    1. From unsafe products
    2. From false advertising

III. You should know that there are laws at many levels.

A. Federal

B. State

C. Local

D. County

IV. You must pay taxes.

A. Income taxes.

B. Social Security taxes.

V. You, as an entrepreneur, should have a lawyer to help deal with legal problems.

A. Changing the organizational structure of the business.
    1. Adding partners to sole-proprietorships
    2. Forming corporations
    3. Offering stock options

B. Buying of property

C. Legal actions taken against you

D. Credit problems or with customers who do not pay

E. Explaining new laws that may affect you

VI. You should get the help of a lawyer before signing a contract with other businesses.

- A. Contracts can be hard to understand.
- B. Lawyers can help you understand what the contract means.
- C. There are many types of contracts.
    1. Unilateral
    2. Bilateral
    3. Oral
    4. Written
- D. Always get a written contract:
    1. When there is money involved
    2. When land is sold, leased, or rented
    3. If the agreement will take a year or more to fulfill
    4. When there is a purchase of real property of $500 or more
- E. A contract has several parts.
    1. The agreement
        - a. Intent to enter a contract must be made.
        - b. What the contract is about must be definite.
        - c. The agreement must be communicated adequately.
        - d. There must be an offer.
        - e. There must be an acceptance of the offer by all people involved.
    2. The consideration
        - a. Something of value must be offered.
        - b. All people involved must agree.
    3. The right to contract
        - a. Do the people involved have the legal right to contract?
            - (1) Are they under age?

            (NOTE: People must be adults in order to make a contract. A minor cannot enter into a contract without the parents' saying he/she may do so.)

      (2) Are they capable of knowing what the contract says?

      (NOTE: People who are mentally ill cannot enter a contract.)

   b. Do all the people fully understand the contract before signing it?

4. The contract should be legal.
   a. Must not be against the laws that already exist
   b. Must not require more than the legal rate of interest
   c. Must not limit competition

5. The contract must be true.
   a. Must not lie about the facts intentionally
   b. Must not have mistakes

F. The contract may not be good:

   1. If it does not have an agreement
   2. If it does not have a consideration
   3. If the people involved do not have a legal right to contract
   4. If the contract goes against other laws
   5. If the contract does not represent the truth

LAWYERS CAN HELP

- **To help change the organizational structure of the business**
    - when partners are added to sole-proprietorships
    - when corporations are formed
    - when stock options are offered
- **To help with the buying of property**
- **To help with legal actions taken against the entrepreneur**
- **To help with credit problems or with customers who do not pay**
- **To help explain new laws that may affect the entrepreneurship**

A CONTRACT MAY BE NO GOOD ...

... if it does not have an agreement

... if it does not have a consideration

... if the people involved do not have a legal right to contract

... if the contract goes against other laws

... if the contract does not represent the truth

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 9--LEGAL ISSUES

A. Place a check to the left of each of the true statements.

_____ 1. Dealing with legal issues will affect all entrepreneurs.

_____ 2. Small entrepreneurships may not have many legal issues.

_____ 3. Entrepreneurs do not need to worry about local laws, only national laws.

_____ 4. Large entrepreneurships will have many legal issues to face.

_____ 5. The government does not have many laws.

_____ 6. Laws help protect the American free enterprise economic system.

_____ 7. Employees are not protected by government laws.

_____ 8. The Equal Employment and Opportunity Act is a law that tries to protect employees.

_____ 9. The government has no laws to protect the environment.

_____10. The government tries to protect only consumers.

B. At what four levels might you find laws.

1.

2.

3.

4.

C. Name five areas in which an entrepreneur should have a lawyer.

1.

2.

3.

4.

5.

D. What are two reasons entrepreneurs should get the help of a lawyer before signing a contract.

1.

2.

E. What are four types of contracts?

1.

2.

3.

4.

F. When should you get a written contract?

1.

2.

3.

G. When might a contract not be good?

1.

2.

3.

4.

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 10--CASE EXAMPLES

Directions: For each case below, tell why the contract would not be good.

A. Marty calls B & B enterprises to see if they carry horse saddles. B & B says that they do and gives Marty the information. Marty tells B & B he will call them back in a week or two and let them know which one to send. Three days later Marty gets a big box in the mail. In it is the most expensive saddle B & B has. There is a bill to Marty for $875.00.

B. A 13-year-old boy walks into your washer and dryer store. He states that he wants to buy a matching washer and dryer for his mom and dad. You reply that is will cost $89.50 per month. He agrees, signs the contract, and the washer and dryer are delivered to his home.

C. You own a large ranch in central Texas. Not only do you have many cows and horses, but you also grow many crops. After planting a large pecan grove, you decide to have the trees sprayed once a week to kill bugs. The ground that the pecan trees are on is very wet, and you contract with a plumber to build some drainage pipes for your land. The plumber builds the drains so that the water runs off your land and into the Brazos River.

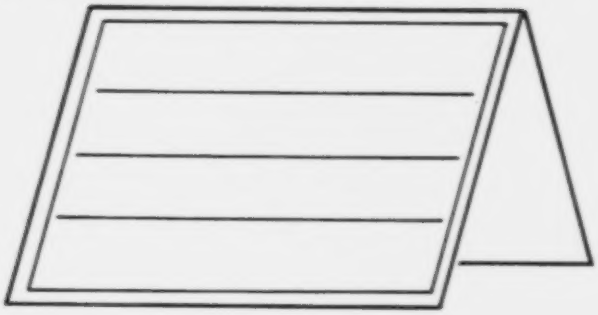
D. You have decided to open a small import shop. The shop will sell products from many different countries. Another business in New Jersey says they have a large supply of hand-made rugs from China and will give you a good deal. You agree to the deal and sign the contract. After you get the rugs you find a label on one of them that says, "Machine-Made in Japan."

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 11--LEARNING ABOUT LEGAL MATTERS

1. Write the name of your business.



2. What products will you sell?

3. Think of five questions that you might need to ask a lawyer about your business.

   a.

   b.

   c.

   d.

   e.

4. Check the yellow pages of your phone book.

   a. How many lawyers are listed?

   b. Do any of those listed have an ad saying they work with businesses?

5. Whom else could you talk to to find answers to your questions?

UNIT VI

BUSINESS OWNERSHIP

INFORMATION SHEET 7--ADVERTISING AND SALES

I. The success of your entrepreneurship is tied to how well the products and services are advertised and sold.

  A. Results of bad advertisement:

    1. The people who need the products and services may never know about them.

    2. The products and services may not be sold.

  B. Reasons for poor sales:

    1. The prices may be too high.

    2. The people who sell the products may be doing a poor job.

    3. There may be poor advertisement.

  C. Products and services must be sold if you want to make money.

II. Advertising is how you let others know about your products and services.

  A. Characteristics of good advertising

    1. Effective

    2. Attention-getting

    3. Interesting

    4. Persuasive

    5. Convincing

  B. Advertising must answer three questions.

    1. How will the advertising be done?

      a. Newspaper

      b. Radio

      c. Telephone

      d. Pamphlets

      e. Word-of-mouth

      f. Television

      g. Telephone yellow pages

2. Who will the advertisement try to reach?
    a. The old or the young
    b. Males or females
    c. Families or individuals
    d. The rich or poor
    e. People who work in different types of occupations
    f. People in the north, south, east, or west
    g. People who are very active or people who are not active

    (NOTE: You may need to keep records on who buys your product or service.)

3. What are you trying to say about the product or service?
    a. Is the product or service new?
    b. Do you have fast and trusted services?
    c. Do the products or services cost less than others?
    d. Are you located in an easy to-get-to place?

C. Technical assistance can help you to develop good advertising.

1. The Chamber of Commerce can tell you:
    a. the size of the community
    b. the ages in the community
    c. the special things about the community
        (1) What type of people live in the community?
            (a) Farmers or laborers
            (b) People who travel a long way to work
        (2) Do the people in the community like the same type things?
    d. the average level of income for each family in the community

2. People who work in advertising can help by:
    a. Making good advertising
        (1) making the best use of space
        (2) making an attractive ad

(3) helping to build interest

(a) use of sound effects in radio and television

(b) use of black and white space in newspapers

b. Doing research

(1) Where is the best place to advertise?

(2) What is the best time of day to advertise?

(3) Are there holidays or special events that will be helpful to your business?

D. Other things to think about before advertising

1. Cost

2. Effect on the costs of products

a. Expensive advertising may cause the costs of products and services to increase.

b. Lower rates for advertising may be found in different places.

3. Transportation--how will it help or not help advertisement

4. Deadlines

a. Radio and television may need ads a week before they are to appear.

b. Magazines may need ads a month or two before the ads appear.

E. Advertisement is a key to business success.

III. Sales is the way in which product or service get to the customer.

A. Four parts to making a sale

1. Greeting the customer

2. Finding out what the customer wants

3. Letting the customer know about the products and services

4. Closing the sale

B. People who work in sales must be able to work well with the customer.

1. A customer who buys from you will help the business to grow, so the customer should be well treated.

a. with kindness

b. with respect

        c. helped in choosing the product

    2. You should learn what the customer wants.

        a. Is the customer buying the product because he/she needs it?

        b. Is the customer buying the product because he/she wants it?

        c. People who sell need to understand the motives of the customer

        d. How the sale is made will depend on the customer's motives.

            (1) A customer who needs a product may pay more for it or want to know more about it.

                (a) What type of guarantee comes with the product?

                (b) What makes the product better than others?

            (2) A customer who wants a product may not care to pay much for it.

    3. People who work with customers should have good skills.

        a. ability to get along with people

        b. respect for customer

        c. trustworthiness

        d. belief in the product

        e. honesty

        f. listening ability

C. The product or service must be priced so that the customer can buy it.

    1. High costs may keep people from buying the product.

    2. Low costs will keep you from making a profit.

    3. Many things help decide what a product will cost.

        a. Your (the entrepreneur's) cost

        b. The cost of running the business

        c. Number of products available for sale

        d. Need for the product

            (1) If there is a great need, people will pay high prices.

            (2) If the need is not great, the cost should be low.

        e. Desired profit

f. Quality of the product

g. Inflation

h. Law

D. If the product is to be sold, the customer may need to have credit.

1. Credit may help the business.

a. It helps the customer know you trust him/her.

b. People who buy on credit may not be concerned about what the product costs.

c. Credit helps people to buy when they do not have cash.

(1) This may help the entrepreneurship.

(NOTE: During tax time and after holidays, people may not have the cash to spend but may charge what they buy.)

(2) Credit may help keep sales going all year.

2. Credit may help people to buy expensive products, such as cars, that they do not have the cash for.

3. You must decide who will be given credit--everyone or only a few

a. Can the customer pay you back?

b. Does the customer need to fill out a credit application?

c. Technical assistance can help you to develop a credit application.

f. Check the credit application to see if it is true.

(1) Is the person employed?

(2) Is the income correct?

(3) Does the customer have a bank account?

(4) Does the local credit bureau have information on the customer?

g. The use of computers can help you to know what customers pay their bills and are a good credit risk.

4. How long will credit be given?

a. Will paying be easy?

b. How much interest, if any, will be charged?

5. Does your competitor give credit?

    a. If the competitor gives credit, customers may buy from him/her.

    b. What type of credit does the competitor give?

PEOPLE WHO WORK WITH CUSTOMERS SHOULD HAVE GOOD SKILLS

- **Ability to get along with people.**
- **Respect for the customer**
- **Trustworthiness**
- **Belief in the product**
- **Honesty**
- **Listening ability**

CUSTOMERS HAVE TWO MOTIVES

1. WANTS: Anything that the customer does not really need

a new car
jewelry
vacations
televisions
radios
appliances
newspapers
magazines
games

2. NEEDS: Anything that the customer must have for food, clothing, shelter, safety

houses
first aid supplies
food
medicine
clothes

UNIT VI

BUSINESS OWNERSHIP

ACTIVITY SHEET 12--ADVERTISING AND SALES

A. Place a check to the left of each true statement.

_____ 1. The success of your entrepreneurship is tied to how well the products and services are advertised and sold.

_____ 2. If there is bad advertisement, people will still learn good things about your products and services.

_____ 3. If there are bad sales of your products, there may be poor advertisement.

_____ 4. Advertising is the way in which products and services get to your customers.

_____ 5. Advertising must be effective, attention getting, and able to hold the interest of the customer.

_____ 6. Advertising should persuade the customer to think he/she needs the product or service.

_____ 7. Technical assistance can help you to develop good advertising.

_____ 8. The cost of the advertisement is something you should think about before advertising.

_____ 9. Lower rates for advertising may be found in different places.

_____10. Radio and television may need ads a week before they are to appear.

ACTIVITY

B. What are the four parts to making a sale?

1.

2.

3.

4.

C. What are two types of customer motives?

1.

2.

D. List three skills people who work with customers should have.

1.

2.

3.

E. Name five things that will help decide what a product will cost.

1.

2.

3.

4.

5.

F. Name three ways credit helps the business.

1.

2.

3.

G. What should you check on a credit application to see if it is true?

1.

2.

3.

BUSINESS OWNERSHIP

ACTIVITY SHEET 13--WRITING AN AD

1. Check the classified section of a newspaper and find out how much it costs to put and ad in the paper. How much?

2. Write an ad that will help sell the products or services of your business. Remember, make it effective and attention getting.

3. How long would it take the newspaper to get your ad in? (You may need to call the paper to find out.)

4. What is the cost of your ad?

5. Read other ads in the newspaper. Are they effective? How could you make them better?

ACTIVITY

UNIT VI

BUSINESS OWNERSHIP

UNIT TEST--PART 1

Match the terms with their definition by placing the correct letter in the blanks at the left.

_____ 1. Outstanding account

_____ 2. Motives

_____ 3. Employee

_____ 4. Written contract

_____ 5. Interest

_____ 6. Employee benefits

_____ 7. Promote

_____ 8. Manage

_____ 9. Inventory

_____10. Deposit

_____11. Contract

_____12. Average collection time

_____13. Credit

_____14. Real property

_____15. Advertising

_____16. Sales

_____17. Customer

_____18. Fringe benefits

_____19. Oral contract

_____20. Organize

a. how an entrepreneur lets people know what products and services he/she has to sell

b. how long it usually takes for people to pay their bill

c. an agreement to do something

d. to pay for something over a long period of time instead of all at once

e. anyone who buys products and services from an entrepreneur

f. money that an entrepreneur pays to begin getting services

g. someone who works for and is paid by the entrepreneur to work in the business

h. anything which the employee can get through the business at a lower cost

i. anything which employee gets credit for but which is paid for by the entrepreneur

j. amount of money that is to be paid to someone because products or services were bought on credit or money was borrowed

k. products which the entrepreneur has on hand

l. to direct the work of the business or some part of it

m. things which a person wants or needs which helps him/her to do something

n. any agreement between two people that has not been put on paper

o. to put things in order

TEST

p. any bill that has not been paid

q. land and buildings

r. to help build the respect or use of something through some type of advertisement

s. the work of getting a customer to buy a product or service

t. an agreement between two or more people that has been written on paper and which the people have signed their names

BUSINESS OWNERSHIP

UNIT TEST--PART 2

Place a check beside each true statement below.

_____ 1. The manager's task is to plan and direct.

_____ 2. Good manager works poorly with other people.

_____ 3. A manager listens to others.

_____ 4. The manager has to be mean to get the job done.

_____ 5. Employees should be able to get help and reasons for decisions from the manager.

_____ 6. The manager does criticize in public.

_____ 7. Using good motivation techniques is a part of the manager's job.

_____ 8. A good manager gets technical assistance when needed.

_____ 9. Poor decision-making skills are a quality of a good manager.

_____10. The manager keeps up with employee changes.

_____11. A good manager patient and knows that people will complain.

_____12. The manager never admits his/her mistakes.

_____13. Not taking all the responsibilities, but letting everyone do his/her part of the work is part of the manager's job.

_____14. The manager seldom works hard to plan how the business will run.

_____15. The business manager has an important job.

_____16. The manager's job is never rewarding.

_____17. A manager must work with many people.

_____18. A good manager must learn how to solve problems.

_____19. Forgetting the details of many projects is a quality of the manager.

_____20. The manager must work with many people.

BUSINESS OWNERSHIP

UNIT TEST--PART 3

A. List three types of costs in the new business.

1.

2.

3.

B. Give two examples of start-up costs.

1.

2.

C. Give two examples of operating expenses.

1.

2.

D. Give two examples of personal expenses.

1.

2.

E. List at least three places from which money for business operations will come.

1.

2.

3.

F. List at least three types of records of your money you will need to keep.

1.

2.

3.

G. For each of the following statements write a "P" if the statement refers to profit and loss records, "C" is the statement refers to a cash flow record, or "B" if the statements refer to the balance sheet.

_____1. Lets you know if your business is making money

_____2. Is a record of what happens to your money over a period of time

_____3. Lets you know how much money you can get right away if you need it

_____4. Tells what you owe and what you own

_____5. Helps you to see what happened to the cash flow

UNIT VI

BUSINESS OWNERSHIP

UNIT TEST--PART 4

A. Place a check in the space beside each true statement.

_____ 1. As a personnel manager, you will never need to discipline your workers when business rules are broken.

_____ 2. As an entrepreneur, you will be responsible for the people you hire.

_____ 3. Many entrepreneurs work only for themselves or with their business partner.

_____ 4. Many entrepreneurs hire others to help in the business.

_____ 5. Labor unions work for the good of the entrepreneur.

_____ 6. As a personnel manager, you may choose to have benefit programs for your employees.

_____ 7. Benefit programs help keep employees working in a business.

_____ 8. It does not cost much to train new people, so it is not important for the entrepreneur to try and keep his/her employees working for him/her.

_____ 9. There are many types of employee benefits that the entrepreneur can offer.

_____10. Many employees like learning new skills.

_____11. By training the employee to do new jobs, you will keep your workers happy.

_____12. Training employees helps them to know that there may be a chance for promotion.

_____13. An employee who is well trained can help to meet the needs of customers.

_____14. How employees are treated by the entrepreneur will not affect the success of the business.

_____15. As a personnel manager, you will need to develop rules safety.

_____16. The Occupational Safety and Health Act (OSHA) was passed in 1970 to help with the buying and selling of products.

_____17. Entrepreneurs may have to provide fringe benefits which makes the cost of goods and services increase.

B. Place a check to the left of each item that is a skill managers must have.

_____ 1. Knows how to set goals, priorities, and deadlines

_____ 2. Knows how to supervise the work and not the workers

_____ 3. Knows and understands the jobs of many people

_____ 4. Has good communication skills

_____ 5. Is able to make business rules

_____ 6. Knows when to laugh at employees

_____ 7. Finds out what it takes for employees to do their best work

UNIT VI

BUSINESS OWNERSHIP

UNIT TEST--PART 5

A. Give three reasons why you must be able to solve problems if you are going to be successful.

1.

2.

3.

B. List all the steps in solving business problems.

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

C. Place a check in the space beside each true statement.

_____1. The more experience you have, the easier it will be to solve problems.

_____2. You will learn where to find technical assistance.

_____3. Wise entrepreneurs try not to think about where there might be a problem in the future.

_____4. If there might be a problem, then you have to let it happen.

_____5. You will learn that you can solve problems.

_____6. You will learn ways of working out problems by experience.

_____7. If you think that a problem is coming, then you should run away from it or pretend it does not exist.

BUSINESS OWNERSHIP

UNIT TEST--PART 6

A. Place a check in the space beside each true statement.

_____ 1. You must pay taxes.

_____ 2. Entrepreneurs should have a lawyer to help deal with legal problems.

_____ 3. Local laws never change from town to town.

_____ 4. You should know that there are laws at many levels.

_____ 5. Contracts can be hard to understand.

_____ 6. Lawyers can help you to understand what the contract means.

_____ 7. The government tries to protect the environment.

_____ 8. The government does not care about consumers.

_____ 9. You will need to know if there are local and city laws that affect your business.

_____10. Entrepreneurs should get the help of a lawyer before signing a contract with other businesses.

B. When should entrepreneurs have a lawyer to help deal with legal issues?

1.

2.

3.

4.

5.

C. What are the four types of contracts?

1.

2.

3.

4.

D. When should you get a written contract?

1.

2.

3.

E. When might a contract not be good?

1.

2.

3.

4.

UNIT VI

BUSINESS OWNERSHIP

UNIT TEST--PART 7

A. Place a check in the space beside each true statement.

_____ 1. The success of your entrepreneurship is tied to how well the products and services are advertised and sold.

_____ 2. Advertising is how you let others know about your products and services.

_____ 3. Advertising does not need to be effective.

_____ 4. Technical assistance cannot help you to develop good advertising; you must do it on your own.

_____ 5. Sales is how the product or service gets to the customer.

_____ 6. People who work in sales do not need to be able to work well with the customers.

_____ 7. You should never want to know what the customer wants.

_____ 8. The product or service must be priced so that the customer can buy it.

_____ 9. Credit may help people to buy expensive products.

_____ 10. The entrepreneur must decide who will be given credit.

TEST

B. What three questions must advertising answer?

1.

2.

3.

C. What are the four parts to making a sale?

1.

2.

3.

4.

D. Name three things you should check on a credit application to see if it is true.

1.

2.

3.

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT OBJECTIVE

After completion of this unit, the student will know key concepts associated with business success. This knowledge will be evidenced through demonstration and by satisfactorily completing the unit test.

SPECIFIC OBJECTIVES

In completing this unit of instruction, the student will:

1. Know that promoting the business is important for it to succeed
2. Be able to list at least three ways to promote a business
3. Know that the location of a business is important for its success
4. Be able to list four areas where businesses can be located
5. Know that records are important for the business to succeed
6. Be able to name the two types of records
7. Know the difference between single-entry records and double-entry records
8. Know the importance of keeping records in a good file system
9. Know that protecting the business is important for it to succeed
10. Be able to name three types of insurance
11. Be able to list three things to watch for to catch shoplifters
12. Know that being excited about the business is important for it to succeed

UNIT VII

HELPING THE BUSINESS SUCCEED

NOTES TO THE INSTRUCTOR

I. Objective Sheet

A. Discuss the unit objective with the students.

B. Discuss each specific objective.

C. Have the students complete the objectives in a sequence best suited to your classroom.

D. Add any objectives necessary to meet fully the needs of the unit and the student.

II. Information and Activity Sheets

(NOTE: Just as in Unit VI, this unit will contain information that may or may not be appropriate for your particular students. Pick or choose those Information Sheets that will best meet the needs of your students. For those programs devoting a very short time to the area of business success, Information Sheets 2, 3, and 5 are highly recommended.)

A. INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Review the terms and definitions with the students.

2. Select before class those terms that correspond with the information sheets that you will cover.

3. Use ACTIVITY SHEET 1--CROSSWORD PUZZLE to reinforce this area of instruction.

4. Use ACTIVITY SHEET 2--WORD FIND to reinforce this area of instruction.

B. INFORMATION SHEET 2--PROMOTING THE BUSINESS

1. Explain the importance of promotion.

2. Explain what the word image means and how people form an image of the business through what they see by way of promotions.

3. Use ACTIVITY SHEET 3--PROMOTING THE BUSINESS to reinforce this area of information.

C. INFORMATION SHEET 3--LOCATING YOUR BUSINESS

1. Explain that a business location is probably the most important factor to business success.
2. Cover all the information of business location.
3. Have the students think of a particular business and how its location is important to its success.
4. Review the different areas where businesses can be located.
5. Use ACTIVITY SHEET 4--BUSINESS LOCATION to reinforce this area of information.
6. Use ACTIVITY SHEET 5--DECIDE ON YOUR BUSINESS LOCATION to help students to begin knowing the importance of location.
7. Use TM-1--PICK A GOOD BUSINESS LOCATION to help reinforce this area of information.
8. Use TM-2--PLACES WHERE A BUSINESS CAN BE LOCATED to help students see the many alternatives that they have.

D. INFORMATION SHEET 4--KEEPING BUSINESS RECORDS

1. Explain how business records are important.
2. Explain the two types of records.
3. Help the students to understand that records should be easy to use.
4. Help students to understand that the burden of proof on how good or bad the business is doing, for tax purposes, is up to them.
5. Help students make the connection that finances are often handled by keeping adequate records.
6. Use ACTIVITY SHEET 6--BUSINESS RECORDS to reinforce this area of information.
7. Use ACTIVITY SHEET 7--WHAT RECORDS TO KEEP to help students to begin thinking about what type of records would be useful for them.
8. Use TM-3--TWO TYPES OF BUSINESS RECORDS to promote learning readiness.
9. Use TM-4--WHEN TO USE RECORDS to help reinforce this area of information.
10. Use TM-5--SINGLE AND DOUBLE ENTRY RECORDS to help students to visualize the difference between the two types of records.

E. INFORMATION SHEET 5--PROTECTING YOUR BUSINESS

1. Help students to understand how important it is to protect the business.

2. Review the different types of insurance.

3. Make sure students know about the Occupational Safety and Health Act.

4. Use ACTIVITY SHEET 8--BUSINESS PROTECTION to reinforce this area of information.

5. Use TM-6--TYPES OF INSURANCE to reinforce this area of information.

6. Use TM-7--GET INSURANCE FROM PEOPLE YOU CAN TRUST to help students to think about their choices as consumers of insurance.

F. INFORMATION SHEET 6--BE EXCITED

1. Help students to see the importance of being excited about their business.

2. Use ACTIVITY SHEET 9--GET EXCITED to help influence this area of information.

3. Use ACTIVITY SHEET 10--YOU MADE IT as a completion exercise to this text.

III. Answers to Activity Sheets

IV. Unit Test

A. The test is divided into six parts.

1. Each part covers one Information Sheet.

2. Each part uses various methods of testing.

B. Various approaches may be used in testing.

1. Give each part of the test after the student has completed the information in one information area or sheet.

2. Give the entire test upon completion of all the Information and Activity Sheets.

3. Give one or several parts of the test as an additional assignment to the unit.

C. Add test parts corresponding to any information areas or sheets added to the unit.

V. Answers to the Unit Test

A. Answers are based on total information covered in the unit.

B. For convenience of grading, make corresponding answer sheets for additional test parts added.

VI. References and Resources

1. Ashmore, Catherine and Sandra B. Pritz. "Locating the Business." *PACE, Revised*. The National Center for Research in Vocational Education. Research and Development Series 240. Unit 7.

2. *America: The Trillion Dollar Lemonade Stand*. *Fundamentals of Free Enterprise, No. I, Revised*. Fletcher National Bank and Trust Company, Indianapolis, Ind. Ed. 232905.

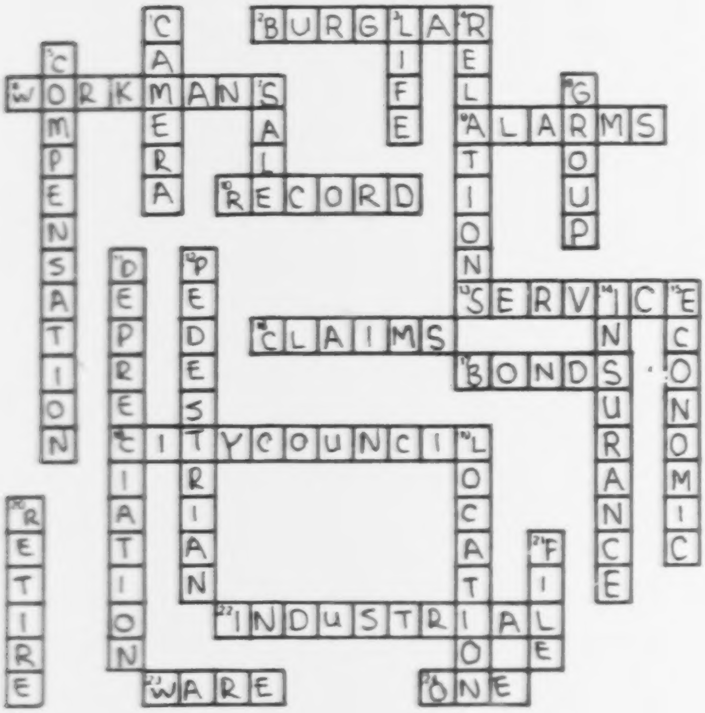
3. "Develop Your Sales and Promotion Plans." *Achieving Success in Small Business: A Self-Insructional Program for Small Business Owner-Managers*.

4. *Something Ventured Something Gained: An Advanced Curriculum for Small Business Managers*. Vol. II. SHUHAT, Jo. CRC Education and Human Development, Inc. Belmont, Mass. 1979. Ed. 173-624.

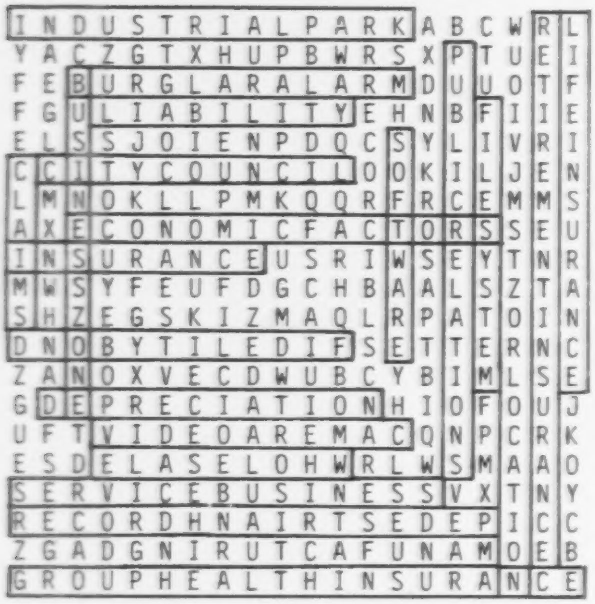
HELPING THE BUSINESS SUCCEED

ANSWERS TO ACTIVITY SHEETS

ACTIVITY SHEET 1


CAMERA
BURGLAR
LIFE
RELATION
COMPENSATION
WORKMAN'S
SAL
GROUP
ALARMS
RECORD
DEPRECIATION
PEDESTRIAN
SERVICE
INSURANCE
ECONOMIC
CLAIMS
BONDS
CITYCOUNCIL
LOCATION
RETIRE
FILE
INDUSTRIAL
WARE
ONE

ACTIVITY SHEET 2



```
I N D U S T R I A L P A R K A B C W R L
Y A C Z G T X H U P B W R S X P T U E I
F E B U R G L A R A L A R M D U U O T F
F G U L I A B I L I T Y E H N B F I I E
E L S S J O I E N P D Q C S Y L I V R I
C C I T Y C O U N C I L O O K I L J E N
L M N O K L L P M K Q Q R F R C E M M S
A X E C O N O M I C F A C T O R S S E U
I N S U R A N C E U S R I W S E Y T N R
M W S Y F E U F D G C H B A A L S Z T A
S H Z E G S K I Z M A Q L R P A T O I N
D N O B Y T I L E D I F S E T T E R N C
Z A N O X V E C D W U B C Y B I M L S E
G D E P R E C I A T I O N H I O F O U J
U F T V I D E O A R E M A C Q N P C R K
E S D E L A S E L O H W R L W S M A A O
S E R V I C E B U S I N E S S V X T N Y
R E C O R D H N A I R T S E D E P I C C
Z G A D G N I R U T C A F U N A M O E B
G R O U P H E A L T H I N S U R A N C E
```

ANSWERS TO ACTIVITIES

ACTIVITY SHEET 3

1. T
2. T
3. F
4. F
5. F
6. T
7. T
8. T
9. F
10. T

ACTIVITY SHEET 4

A. 1. ✓
   2. ✓
   3. ✓
   4. ✓

B. 1. In the city
   2. In neighborhoods
   3. In shopping centers
   4. In industrial parks
   5. In homes

C. 1. a. ✓
      b.
   2. a. ✓
      b. ✓
   3. a.
      b.
      c.
   4. a.
      b.
   5. a. ✓
      b. ✓

D. Any two of the following for 1, 2, 3, and 4 below.

1. Retail business

   A. Consider customer parking
   B. What is the pedestrian traffic like?
      (1) Where are the pedestrians going?
      (2) Are they shopping, going to work, or getting off work?
   C. Will you take phone-in orders?

2. Wholesale business

   A. Do you have a good place for loading and unloading the products?
   B. Will the zoning laws let you be located there?
   C. What type of building fixtures do you need?
   D. What type of building fixtures can you do without?

3. Service business

   A. Is it easy to get to?
   B. Do people need to come in?
   C. What type of parking do you need?
   D. Will people need appointments?
   E. Is there a comfortable waiting place?

4. Manufacturing business
   A. Do you have a loading dock or bay?
   B. Do you need to be near raw materials?
   C. What type of zoning laws should you consider?

ACTIVITY SHEET 6

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 7

A. 1. Records help you to see where the business is going.
   2. Records help you to see where the business has come from.

B. 1. Those required by law
   2. Those to improve business success

C. 1. To keep up with day-to-day business actions
   2. To find out where the business is going
   3. To help keep costs of products and services down
   4. To help get loans
   5. In order to file tax statements
   6. To show people who might put money into your business how the company is doing
   7. To see what has happened to your products and services

D. 1. ✓
   2.
   3. ✓
   4. ✓
   5. ✓
   6.

E. 1. S
   2. D
   3. S
   4. D
   5. S
   6. S
   7. D

F. 1. To keep up with sales
   2. To keep up with cash-flow
   3. To keep up with payments
   4. To keep up with money owed to the business by customers
   5. To keep up with the inventory
   6. To keep up with depreciation

ACTIVITY SHEET 8

Evaluated to the satisfaction of the instructor.

ACTIVITY SHEET 9

A. Any four of the following:

1. liability
2. worker's compensation
3. fidelity bonds
4. crime insurance
5. business life insurance
6. business interruption
7. auto insurance
8. retirement insurance
9. key man insurance

B. Any three of the following:

1. How good is the company?
2. Does the insurance company work only with businesses or carry only certain types of insurance?
3. Is the insurance company able to meet your needs?
4. How much will the insurance cost?
5. How fast will the insurance company pay its claims?
6. Does the insurance agent want to do his best for you?

C. Any three of the following:

1. Get burglar alarms.
2. Know where the keys to the business are.
3. Keep the area well lighted at night.
4. Get guards if needed.
5. Get a video-camera if needed.
6. Put money in the bank every day.

D. 1. Keep the entrepreneurship clean and picked-up.
2. Have exits well-marked.
3. Have fire extinguishers.
4. Have the business checked by a person who knows safety laws.
5. Plan to correct the problem so that it will not happen again.

ACTIVITY SHEET 10

1. F
2. F
3. F
4. T
5. F
6. F
7. F
8. T
9. T
10. T

ACTIVITY SHEET 11

Evaluated to the satisfaction of the instructor.

UNIT VII

HELPING THE BUSINESS SUCCEED

ANSWERS TO UNIT TEST

PART 1

1. I
2. D
3. J
4. E
5. A
6. C
7. H
8. G
9. B
10. F

PART 2

A. 1. T
2. T
3. F
4. T
5. F
6. F
7. T
8. T

B. Evaluated to the satisfaction of the instructor

PART 3

A. 1. In cities
2. In neighborhoods
3. In shopping centers
4. In industrial parks
5. In homes

B. 1.
2. ✓
3.
4. ✓
5.

PART 4

A. 1. ✓
2. ✓
3. ✓
4.
5.
6. ✓
7. ✓
8. ✓

B. 1. Those required by law
2. Those to improve business success

PART 5

A. Any five of the following:

1. liability
2. worker's compensation
3. fidelity bonds
4. crime insurance
5. business life insurance
6. business interruption
7. retirement insurance
8. key man insurance

B. Any five of the following:

1. How good is the company?
2. Does the insurance company work only with businesses or carry only certain types of insurance?
3. Is the insurance company able to meet your needs?
4. How much will the insurance cost?
5. How fast will the insurance company pay its claims?
6. Does the insurance agent want to do his/her best for you?

C. Any three of the following:

1. Theft

    a. Get burglar alarms.
    b. Know where the keys to business are.
    c. Keep the area well-lighted at night.
    d. Get a video-camera if needed.
    e. Put money in the bank every day.
    f. Get guards if needed.

2. Shoplifting

    a. Get display cabinets for expensive things.
    b. Watch customers carefully.
    c. Call police.
    d. Write down what was taken.

D. 1. ✓
2. ✓
3. ✓
4. ✓
5. ✓

PART 6

1. ✓
2. ✓
3. ✓
4. ✓
5. ✓
6. ✓
7. ✓
8. ✓
9.
10. ✓

UNIT VII

HELPING THE BUSINESS SUCCEED

INFORMATION SHEET 1--TERMS AND DEFINITIONS

1. Burglar alarm--a machine that sounds a warning when someone is in a building or other special area when he/she is not supposed to be there

2. Business zone--a place in a city, town, or county where only businesses are allowed to locate

3. City council--a group of people, usually elected by the people, who run local government

4. Claims--requests that have been made to insurance companies to pay for some type of damage or sickness

5. Depreciation--losing value over a period of time

   (Example: Gene bought a car for $9,200. The next year the car was worth only $8,000. The depreciation of the car was $1,200.)

6. Economic factors--those things which control the making and spending of money

7. Fidelity bond--a type of insurance taken out on people who work in special jobs which shows that they can be trusted

8. File system--a way of keeping records

9. Group-health insurance--insurance that is taken out on a group of people to help pay for sickness or injury

10. Industrial park--a large area containing only businesses

11. Insurance--a way to make certain that if something unexpected happens it can be paid for

12. Liability--responsibility for something

    (NOTE: Liability insurance is a way to make certain that if you are at fault, such as causing a car wreck, in some type of accident that you will have money to pay for the damage.)

13. Life insurance--insurance that is taken out on someone in case of a death that happens by accident or if some part of the body, such as hand or foot, is lost

14. Location--where a business is placed

15. Manufacturing--a type of business that makes products

16. Pedestrian--someone who is on foot; not riding

17. Public relations--work that involves promoting the image of the business with people in the community

18. Retirement insurance--insurance that will help make certain that there will be money after one leaves his/her job when he/she gets older

19. Service business--a business that does some activity for someone

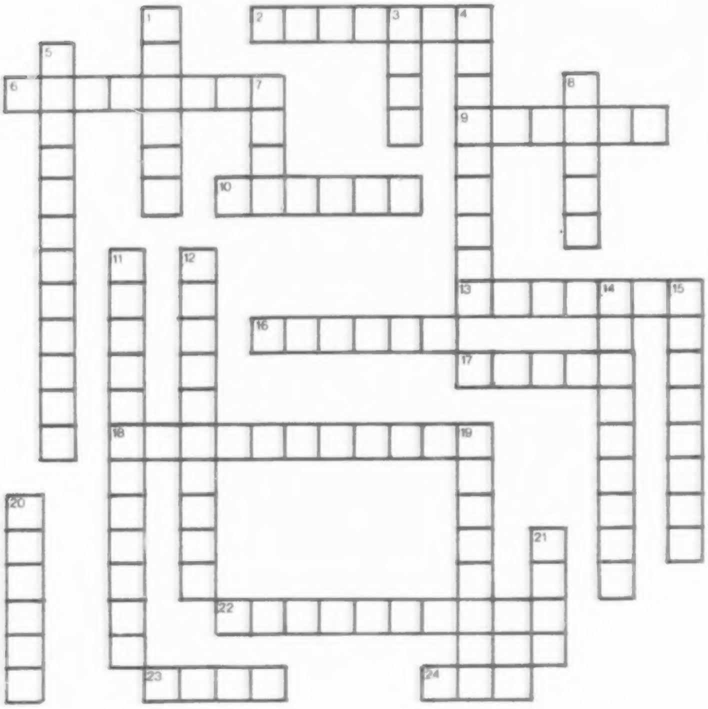
20. Software--the part of the computer that holds the programs, or controls what the computer does, and which can be put into the machine and used wherever needed

21. Video-camera--a machine that takes pictures and records what happens at any given time

22. Wholesale business--a business that sells products at a lower cost than other stores

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 1--CROSSWORD PUZZLE



ACROSS

2. __________ alarms
6. __________ compensation
9. Burglar __________
10. File system is a way of keeping ______________
13. __________ business
16. Requests that have been made to insurance companies to pay for
17. Fidelity ______________
18. A group of people, usually elected by the people, who run the local government
22. ______________ park

DOWN

1. Video __________
3. __________ insurance
4. Public __________
7. Whole_______ business
8. ____________ health insurance
11. Losing value over a period of time
12. Someone who is on foot; not riding
14. A way to make certain that if something unexpected happens it can be paid for
15. ____________ factors
19. Where a business is placed

23. Soft __________

24. Business ___________

20. ____________ insurance

21. ____________ system

UNIT VII

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 2--WORD FIND

ACTIVITY

Directions: For each definition given, find the correct term in the word find below.

```
I N D U S T R I A L P A R K A B C W R L
Y A C Z G T X H U P B W R S X P T U E I
F E B U R G L A R A L A R M D U U O T F
F G U L I A B I L I T Y E H N B F I I E
E L S S J O I E N P D Q C S Y L I V R I
C C I T Y C O U N C I L O O K I L J E N
L M N O K L L P M K Q Q R F R C E M M S
A X E C O N O M I C F A C T O R S S E U
I N S U R A N C E U S R I W S E Y T N R
M W S Y F E U F D G C H B A A L S Z T A
S H Z E G S K I Z M A Q L R P A T O I N
D N O B Y T I L E D I F S E T T E R N C
Z A N O X V E C D W U B C Y B I M L S E
G D E P R E C I A T I O N H I O F O U J
U F T V I D E O A R E M A C Q N P C R K
E S D E L A S E L O H W R L W S M A A O
S E R V I C E B U S I N E S S V X T N Y
R E C O R D H N A I R T S E D E P I C C
Z G A D G N I R U T C A F U N A M O E B
G R O U P H E A L T H I N S U R A N C E
```

1. A machine that sounds a warning when someone is in a building or special area when he/she is not supposed to be there

2. A place in a city, town, or county where only businesses may locate

3. A group of people, usually elected by the people, who run the local government

4. Requests that have made to insurance companies to pay some type of damage or sickness

5. Losing value over a period of time (Example: Gene bought a car for $9,200. The next year the car was worth only $8,000. The depreciation of the car was 1,200.)

6. Those things which control the making and spending of money

7. A type of insurance taken out on people who work in special jobs which shows that they can be trusted

8. A way of keeping records

9. Insurance that is taken out on a group of people to help pay for sickness or injury

10. A large area containing only businesses

11. A way to make certain that if something unexpected happens it can be paid for

12. Responsibility for something

13. Insurance that is taken out on someone in case of a death that happens by accident or if some part of the body is lost, such as a hand or a foot

14. Where a business is placed

15. A type of business that makes products

16. Someone who is on foot; not riding

17. Work that involves promoting the image of the business with people in the community

18. Insurance that will help make certain that there will be money after one leaves his/her job when he/she gets older

19. A business that does some activity for someone

20. The part of the computer that holds the programs, or controls what the computer does, and which can be put into the machine and used whenever needed

21. A machine that takes pictures and records what happens at any given time

22. A business that sells products at a lower cost than other stores

HELPING THE BUSINESS SUCCEED

INFORMATION SHEET 2--PROMOTING THE BUSINESS

I. Success in the entrepreneurship will depend upon your letting people know about your business.

  A. Promotion includes anything that lets people know about your business.

    1. The information people have about your business can be good or bad.

    2. People will need to hear good things about your business so that they will buy products and services from you.

  B. If there are other businesses selling products and services that are like yours, then people will need to know why yours are better.

  C. A neat and attractive promotion will keep customers coming to your business.

  D. How you promote yourself gives customers an idea of what your services are like.

    1. How do customers see your business?

      a. Neat

      b. Trustworthy

      c. Dirty

      d. Poorly managed

    2. How do you want people to see your business?

II. Good promotion means good public relations.

  A. Customers should think that your business is important to the community.

  B. Entrepreneurs should care about the community in which they live.

    1. Be involved in community events

      a. Sponsor Little League teams.

      b. Be active in the PTA.

      c. Serve on the city, county, or town councils.

    2. Be involved in the local chamber of commerce.

III. Promotions will help the community to trust your business.

IV. Promotions will help your products to sell.

  A. When people need a product or service, they will think of you.

  B. If people know you, then they will buy from you.

V. There are many ways to promote a business

  A. Television

  B. Radio

  C. Pamphlets

  D. Magazine

  E. Business cards

  F. Special sales

UNIT VII

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 3--PROMOTING THE BUSINESS

Directions: Answer the following statements True or False by placing a T for True or an F for False in the blanks at the left.

_____ 1. Business success in the entrepreneurship will depend upon your letting people know about your business.

_____ 2. Promotion includes anything that lets people know about your business.

_____ 3. People just buy products and services; they do not need to know why yours are better.

_____ 4. How you promote yourself does not say anything to customers about the services you offer.

_____ 5. Good promotion does not mean good relations.

_____ 6. Customers should think that your business is important to the community.

_____ 7. Entrepreneurs should care about the community in which they live.

_____ 8. Promotions will help the community to trust your business.

_____ 9. Promotions will not help sell the products.

_____ 10. If people know you, they will buy from you.

UNIT VII

HELPING THE BUSINESS SUCCEED

INFORMATION SHEET 3--LOCATING YOUR BUSINESS

I. A good location is important to the success of the business.

   A. What type of building do you need?

      1. How will you heat the building?

      2. How will you get water to the building?

         a. By well

         b. By pipeline

         c. How much will it cost?

   B. What type of safety needs will you have?

      1. Can your business be harmful to people?

      2. Do you need to make ramps and special doors for handicapped people?

   C. What type of personal things do you need?

      1. Men's and women's restrooms

      2. Special waiting areas

      3. Water fountains

      4. Easy entry and exit from the building

   D. What are the economic factors like where you will locate the business?

      1. Have people lived in the area for a long time?

      2. Are people moving away from the area?

      3. Are other businesses coming into the area?

      4. Are the families old or young?

   E. What is the competition like where your business will be?

      1. In the past three years, have other businesses opened and closed where you will be?

         a. Why did they close?

         b. Why has no other business come into the area?

    2. Is the demand for your product growing?
    3. Will you have competition close by?
  F. The location of the business is important.

II. Business location should have enough room
  A. For the machines used to make the products and services
  B. For the safety and comfort of the customer

III. Businesses should be located in the business zone.
  A. Many businesses cannot operate in neighborhoods where people live.
  B. Loud businesses may need to be outside the city.
  C. Check the zoning laws of your community.

IV. Businesses can be located in many places.
  A. In the city
    1. Poor parking in the cities can be a problem.
    2. The rent may be very high.
  B. In neighborhoods
    1. Sales may be limited in the neighborhoods.
    2. People will buy products and services from neighborhoods instead of going somewhere that is farther away.
    3. People who use neighborhood stores may pay higher prices.

    (NOTE: Neighborhood stores may sell food and drinks. Other items may not sell at all in neighborhoods and may not be allowed by law to be located there.)

  C. Shopping centers
    1. Good parking is available in shopping centers.
    2. More potential customers are possible.
    3. The rent may be high.
  D. Industrial parks
    1. Industrial parks may make products but not sell them to the public.
    2. The industrial park is usually outside the town.

3. It may be near a railroad or sea port for easy shipping and transportation.

E. In homes

1. Home businesses usually provide services for other people.

2. The business person may work away from the home but keep the office there.

3. The overhead of a home business may be low.

V. You should choose your business location carefully.

A. What does the location have to offer?

1. Are the renting or leasing terms good?

2. What is the competition like?

3. Is there plenty of parking?

4. Will the overhead be high?

B. If you open a retail business

1. Consider customer parking.

2. What is the pedestrian traffic like?

a. Where are the pedestrians going?

b. Are they shopping, going to work, or getting off work?

3. Will you take phone-in orders?

C. If you open a wholesale business

1. Do you have a good place for loading and unloading the products?

2. Will the zoning laws let you locate there?

3. What type of building fixtures do you need?

4. What type of building fixtures can you do without?

D. If you open a service business

1. Is it easy to get to?

2. Do people need to come in?

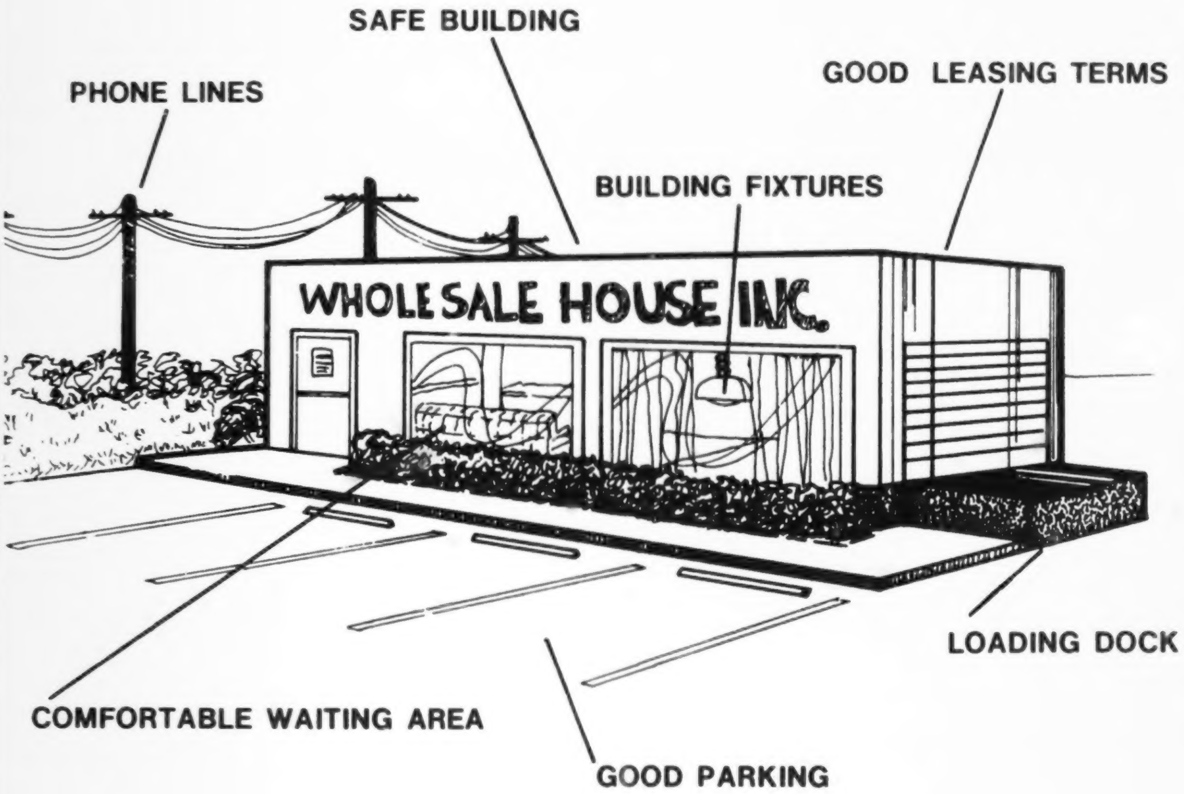
3. What type of parking do you need?

   4. Will people need appointments?
   5. Is there a comfortable waiting area?

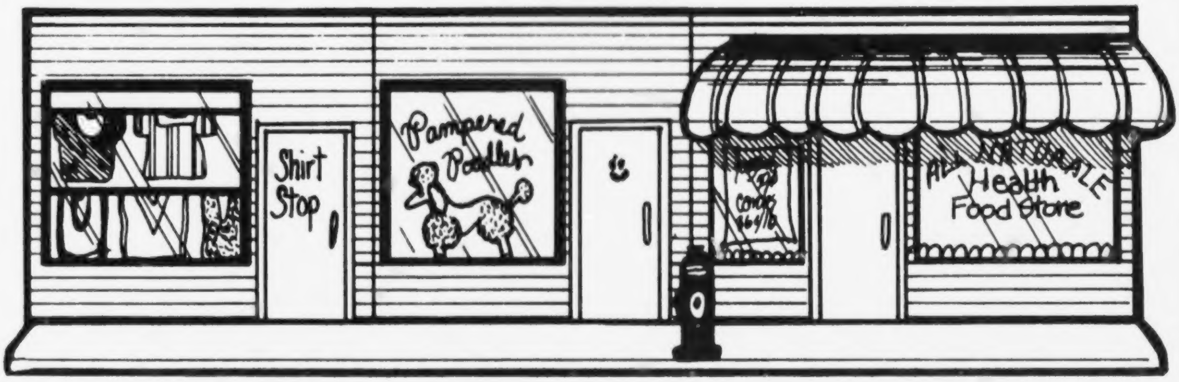
E. If you open a manufacturing business

   1. Do you have a loading dock or bay?
   2. Do you need to be near raw materials?
   3. What type of zoning laws should you consider?

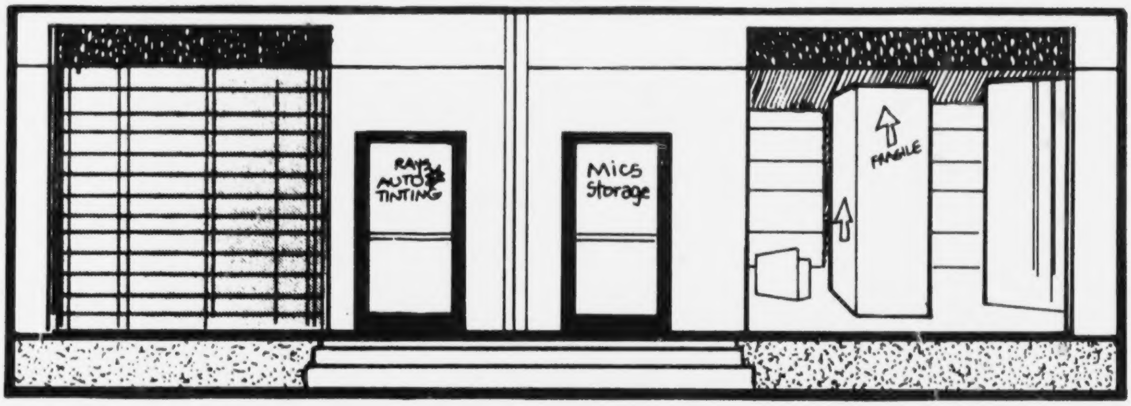
PICK A GOOD BUSINESS LOCATION


SAFE BUILDING
GOOD LEASING TERMS
PHONE LINES
BUILDING FIXTURES
WHOLE SALE HOUSE INC.
LOADING DOCK
COMFORTABLE WAITING AREA
GOOD PARKING

PLACES WHERE A BUSINESS CAN BE LOCATED


Shirt Stop
Pampered Poodles
Health Food Store

SHOPPING CENTER


RAYS AUTO TINTING
Mics Storage
FRAGILE

INDUSTRIAL COMPLEX

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 4--BUSINESS LOCATION

A. Place a check mark beside each true statement.

_____ 1. Entrepreneurships have a better chance of being successful if the business is located in a good place.

_____ 2. Your business should have enough room.

_____ 3. You should consider what the economic factors are like where you will be locating your business.

_____ 4. Many businesses cannot operate in neighborhoods where people live.

_____ 5. You do not need to check zoning laws of your community.

B. List five places where businesses can be located.

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

C. For each of the following business locations place a check beside the correct statement.

1. In the city

   _____ a. Poor parking is often a problem.

   _____ b. The rent is always low.

2. In neighborhoods

   _____ a. Sales are limited.

   _____ b. People who use neighborhood stores may pay higher prices.

3. In shopping centers

   _____ a. Poor parking is a problem.

   _____ b. Customers are fewer.

   _____ c. The rent is cheap.

4. In industrial parks

   _____ a. Industrial parks are usually inside the city.

   _____ b. Industrial parks are usually near city parks.

5. In homes

   _____ a. Home businesses usually provide services for other people.

   _____ b. The overhead of a business may be low.

D. For each of the following businesses list two considerations you should think about before choosing your business location.

1. Retail business

   a. ______________________________

   b. ______________________________

2. Wholesale business

   a. ______________________________

   b. ______________________________

3. Service business

   a. ______________________________

   b. ______________________________

4. Manufacturing business

   a. ______________________________

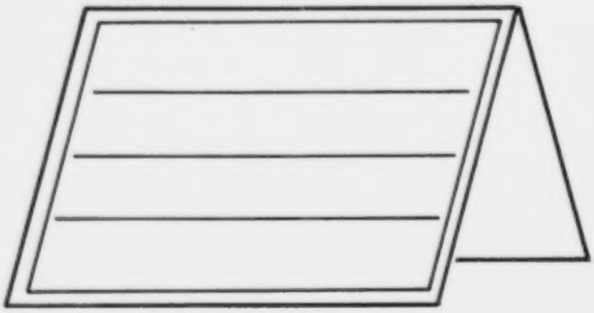
   b. ______________________________

UNIT VII

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 5--DECIDE YOUR BUSINESS LOCATION

A. What is the name of your business?



B. Check below the type of business that is most like yours.

_____ 1. Retail business

_____ 2. Wholesale business

_____ 3. Service business

_____ 4. Manufacturing business

C. By knowing what type of business you have, you can decide where it needs to be located. What should you think about before locating your business?

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

D. Check your local newspaper. Are there any places to rent, lease, or buy that would be like what you need?

E. What type of information does the ad give about the location?

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

UNIT VII

HELPING THE BUSINESS SUCCEED

INFORMATION SHEET 4--KEEPING BUSINESS RECORDS

I. Business records are important for entrepreneurships to succeed.

   A. Records help you to see from where the business has come.

   B. They help you to see where the business is going.

II. There are two types of records.

   A. Those required by law

   (NOTE: It is up to the entrepreneur to keep good records, not the government. The government Internal Revenue Service may need to see your records sometime.)

   B. Those to improve business success

III. You will need to keep records.

   A. To keep up with day-to-day business actions

   B. To find out where the business is going

   C. To help keep costs of products and services down

   D. To help get loans

   E. In order to file tax statements

   F. To show people who might put money into your business how the company is doing

   G. To see what has happened to your products and services

IV. Entrepreneurs need to keep records that are helpful to the business.

   A. Records should be easy to use and keep.

   B. The records should be easy to understand.

   C. Records should be up-to-date.

   D. They should show what is true.

      1. You will make decisions by what the records say.

      2. You need the records to be right.

E. All the records should agree with each other.

1. Records that agree are a sign that there are no errors.

2. If your records agree, then decisions can be made.

F. Records should give information when you need it.

V. You will need to find a way to keep records that is easy for you.

A. Single-entry records are one type.

1. Single-entry records do not cost much.

2. They are easy to use.

3. Single entry records take less time to record information.

4. Errors are more difficult to find in single entry records.

B. Double-entry records are a second type.

1. Double-entry records are harder to use than single-entry records.

2. They help spot errors more quickly than single-entry records.

3. Double-entry records give more information about the business than single-entry records.

VI. You can get record forms from many places.

A. Stores that sell business supplies

B. Small Business Administration

C. Retail stores

D. Making them yourself

VII. Many companies that make computers have software that helps entrepreneurs to keep up-to-date records.

VIII. All businesses will keep some type of records.

A. Checkbooks are a type of record system.

B. Daily sales and cash statements are kept by many companies.

C. Bank statements can be a source of business records.

D. Payroll records are a kind of business records.

IX. Records should be used to keep up with many aspects of the business.

A. Sales

B. Cash flow

C. Payments

D. Money owed to the businesses by customers

E. Inventory

F. Depreciation

X. Records should be kept in a good file system.

A. Sales should be filed by the date.

B. Expenses should be filed alphabetically according to who supplies the material.

C. How people are paid should be filed by the date they were paid.

D. A good filing system will help you to keep up with your records.

1. Records need to be found quickly.

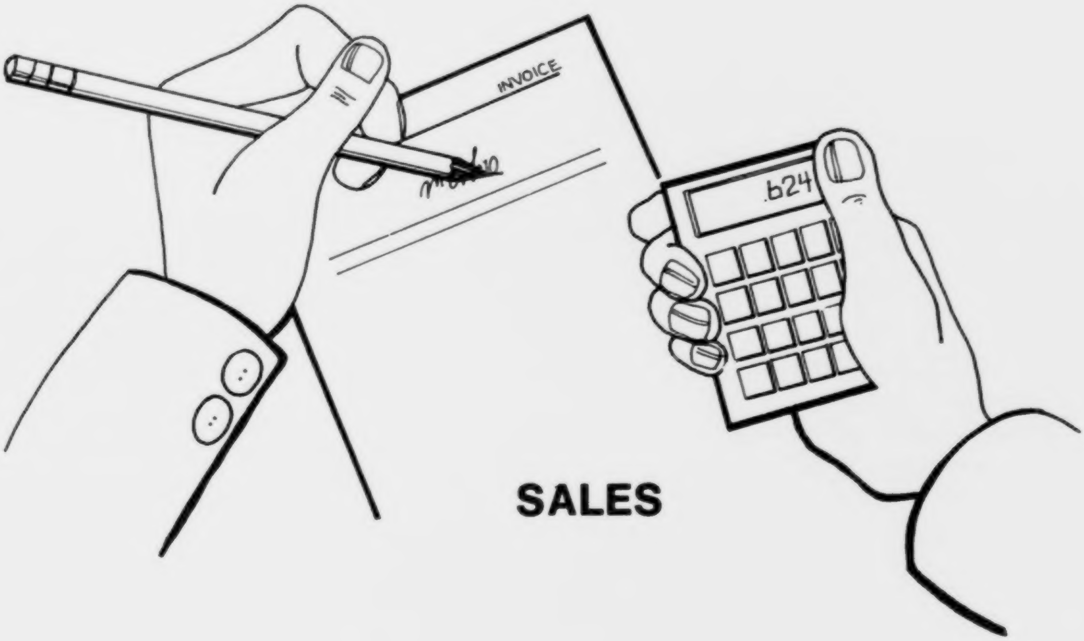
2. Records need to be kept in a safe place.

TWO TYPES OF RECORDS

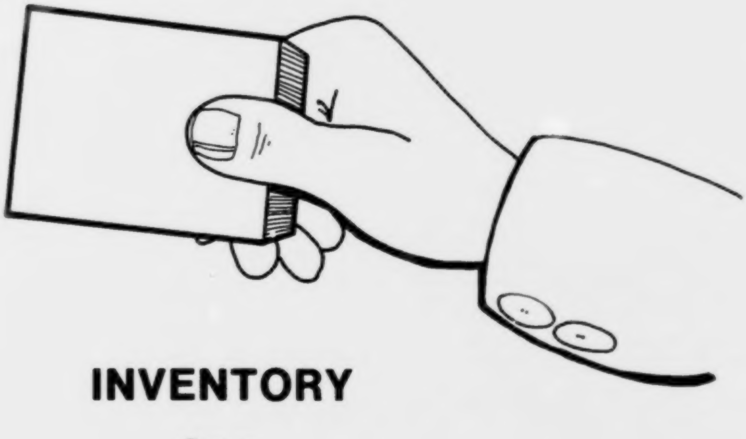
Those required by law

Those to improve business success

WHEN TO USE RECORDS


INVOICE
.624

SALES



INVENTORY

SINGLE AND DOUBLE ENTRY RECORDS

SINGLE ENTRY RECORDS

Assets	$500.00		
Expenses	200.00		
Balance before Taxes		$300.00	
Taxes		75.00	
Total Profit			$275.00

DOUBLE ENTRY RECORDS

Entry 1

Assets		
Sales	$295.00	
Inventory	100.00	
Buildings	105.00	
Total Assets		$500.00
Expenses		
Salary	125.00	
Utilities	75.00	
Total Expenses		200.00
Balance before Taxes		300.00
Taxes		
Employment	35.00	
Sales	40.00	
		75.00
Total Profit		275.00

Entry 2

Assets			
Sales			
1.	Bananas	$100.00	
2.	Oranges	95.00	
3.	Nuts	100.00	
Total Sales			$295.00
Inventory			
1.	3 cases of peaches	$75.00	
2.	1 carton of strawberries	25.00	
Total Inventory			100.00
Buildings			105.00
Total Assets			$500.00
Expenses			
Salary			
1.	John	$75.00	
2.	Henry	50.00	
Total Salary			125.00
Utilities			
1.	Electricity	50.00	
2.	Water	25.00	
Total Utilities			75.00
Total Expenses			200.00
Balance Before Taxes			300.00
Taxes			
Employment			
1.	John	30.00	
2.	Henry	5.00	
Total Employment Tax			35.00
Sales			
1.	Bananas	10.00	
2.	Oranges	20.00	
3.	Nuts	10.00	
Total Sales Tax			40.00
Total Taxes			75.00
Total Profit			275.00

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 6--BUSINESS RECORDS

A. What are two reasons why business records are important for entrepreneurships to succeed?

1. ____

2. ____

B. What are the two types of records?

1. ________________________

2. ________________________

C. What are five reasons why you will need to keep records?

1. ____

2. ____

3. ____

4. ____

5. ____

D. Place a check beside each of the following statements that are true about records.

_____ 1. Records should be easy to use.

_____ 2. Records should be hard to use.

_____ 3. Records should be easy to understand.

_____ 4. Records should be up-to-date.

_____ 5. Records should show what is true.

_____ 6. Records do not need to show needed information.

E. Single-entry records and double-entry records are two types of records. For each statement below, write in the blank to the left an "S" if it describes single-entry records, or a "D" if it describes double-entry records.

_____ 1. cheap

_____ 2. difficult to use

_____ 3. easy to use

_____ 4. errors can be found quickly

_____ 5. errors are more difficult to find

_____ 6. takes less time to record information

_____ 7. gives more information about the business

F. When should records be used?

1. ____

2. ____

3. ____

4. ____

5. ____

HELPING THE BUSINESS SUCCEED

INFORMATION SHEET 5--PROTECTING YOUR BUSINESS

I. You will put much time and money into your business.

   A. If something unexpected happens you want to be protected.

      1. Fires can happen quickly.

      2. People can steal from you.

      3. Weather damage such as snow, rain, or cold can hurt your business.

      4. Business partners or employees could die.

   B. Good protection will help keep your business safe.

   C. Good protection will pay for what you have lost.

II. Protect your building and the inventories.

   A. Get good insurance.

      1. There are many types of insurance.

         a. Group-health insurance will pay for sickness.

            (NOTE: Health insurance is expensive, but is cheaper when many people can get it together. Sometimes you will have health insurance as a benefit for your employees.)

         b. Liability insurance will protect you when people are hurt on your property.

         c. Worker's compensation will help pay for the bills of an employee who is hurt while at work.

         d. Fidelity bonds show that your employees can be trusted, but protect you should they steal.

            (NOTE: You may need fidelity bonds for employees who handle other people's money.)

         e. Crime insurance protects you when people damage or destroy your property.

         f. Business life insurance helps to pay for the loss of an employee who dies accidentally.

         g. Business interruption helps to keep money in the business should it need to close down for a short period of time.

h. Auto insurance will help pay for cars should something unexpected happen.

i. Retirement insurance will help people to have a good income after leaving the company.

    (1) Employees may get too old to work.

    (2) Employees may have worked long enough to retire.

j. Key man insurance will help pay for the loss of a business partner who may die.

2. Insurance can be expensive.

3. Get insurance from people you can trust.

    a. How good is the company?

        (NOTE: A. M. Best puts out a book that tells how good insurance companies are.)

    b. Does the insurance company work only with businesses or carry only certain types of insurance?

    c. Is the insurance company able to meet your needs?

    d. How much will the insurance cost?

    e. How fast will the insurance company pay its claims?

    f. Does the insurance agent want to do his best for you?

        (1) Is he/she licensed by the state?

        (2) Does he/she give individual attention?

        (3) Does he/she give other services?

        (4) Will he/she help in a time of loss?

B. Get good store or business security.

1. In case of theft

    a. Get burglar alarms.

    b. Know where the keys to the business are kept.

    c. Keep the area well lighted at night.

    d. Get guards if needed.

    e. Get a video camera if needed.

2. In case of shoplifting

    a. Get display cabinets for expensive things.

    b. Watch customers carefully.

        (1) Do they switch price tags?

        (2) Do they hide things?

        (3) Do they act nervous?

        (4) Do they pay more attention to store employees than to products?

        (5) Do they stay in one area for a long time?

        (6) Do they move products to other parts of the building?

        (7) Do they bring boxes and bags into the store with them?

    c. Call the police.

    d. Write down what was taken.

        (NOTE: Over 80% of all thefts come from people who work in the business.)

III. Protect your employees

A. Keep the entrepreneurship clean and picked-up.

B. Have exits well-marked in case of a fire.

C. Have fire extinguishers.

D. Have the business checked by a person who knows safety laws.

E. In case of accidents, report

    (1) How the accident happened

    (2) Where the accident happened

    (3) When the accident happened

    (4) Who got hurt

    (5) How you plan to correct the problem so that it will not happen again

    (6) The accident on the OSHA Log form 200.

TYPES OF INSURANCE

HEALTH

LIABILITY

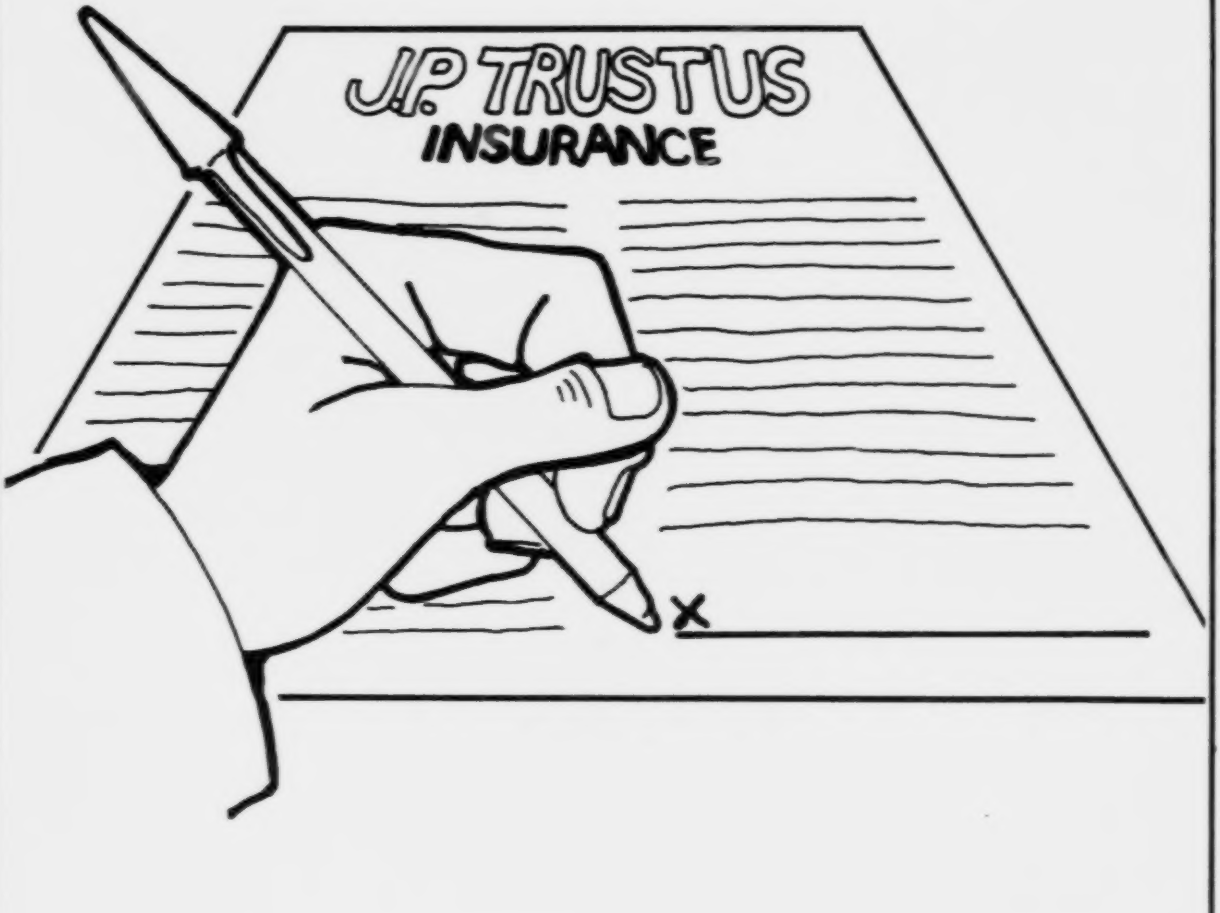
LIFE INSURANCE

RETIREMENT

AUTO

"KEY MAN"

GET INSURANCE FROM PEOPLE YOU CAN TRUST


J.P. TRUSTUS
INSURANCE
X

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 7--WHAT RECORDS TO KEEP

A. Check below the type of records you may need to keep in your entrepreneurship.

_____ 1. Records that show how much I have sold.

_____ 2. Records that show what my cash flow is like.

_____ 3. Records that show what my payments are.

_____ 4. Records that show how much customers owe.

_____ 5. Other types of records

B. Which type of record system do you want? Circle one.

A. Single-entry

B. Double-entry

C. Do you have a safe place to keep your records?

Yes or No

If you circled yes, where will you keep them?

D. Look in the phone book for a business supply store. Call the store and ask what types of record keeping systems they sell and what the costs are.

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 8--BUSINESS PROTECTION

A. Name four types of insurance.

1. ______
2. ______
3. ______
4. ______

B. Name three things you should look for when buying insurance from people you can trust.

1. ______
2. ______
3. ______

C. Name three things you can do in case of theft.

1. ______
2. ______
3. ______

D. Employees should be protected. Name five ways to protect employees.

1. ______
2. ______
3. ______
4. ______
5. ______

HELPING THE BUSINESS SUCCEED

INFORMATION SHEET 6--BE EXCITED

I. Not everyone can be an entrepreneur.

   A. Some governments will not let people start their own business.

   B. Some people will not take the risks of working hard to make a business succeed.

II. Do not try to build your business too quickly.

   A. Go at a pace that is right for you.

   B. Make your own decisions.

   C. Know that the best and most long lasting changes come slowly.

   D. Be patient.

   E. Plan your work well.

   F. Do not try to do too much too quickly.

III. Be excited about your business.

   A. If you are not excited, others will not be either.

   B. See problems as just a challenge to building an even better business.

   C. Think often about the rewards you are getting.

      1. Being your own boss

      2. Working to make more money

      3. Using all your skills

      4. Making your own decisions

IV. You can be your own boss!

UNIT VII

HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 9--GET EXCITED

Directions: Answer the following statements True or False by placing a T for True or an F for False in the blanks at the left.

_____ 1. Everyone can be an entrepreneur.

_____ 2. All people will take the risks of working hard to make a business succeed.

_____ 3. You should build your business quickly.

_____ 4. You should plan your work well.

_____ 5. Always work fast.

_____ 6. Do not be excited about your business.

_____ 7. Everyone will be excited about your business even if you are not.

_____ 8. Problems can be a challenge to building an even better business.

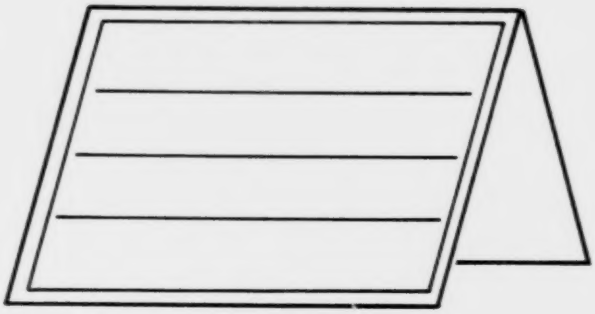
_____ 9. You should think often about the rewards you are getting.

_____ 10. You can be your own boss.

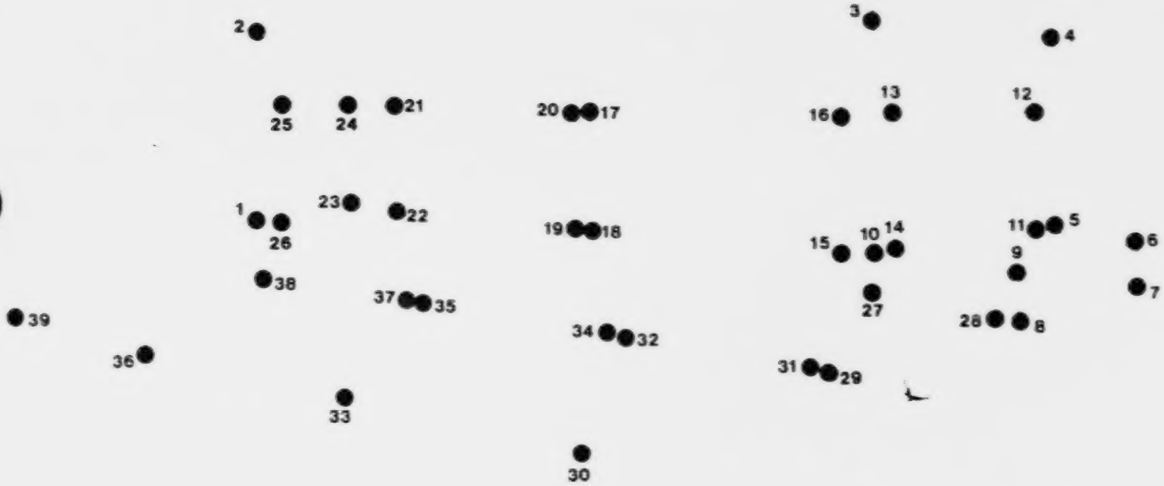
HELPING THE BUSINESS SUCCEED

ACTIVITY SHEET 10--YOU MADE IT

A. What is the name of your business?



B. Connect the dots.


2
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33
30

C. Congratulations, you are an entrepreneur, and a successful one, too!

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT TEST--PART 1

Match the terms with their definitions by placing the correct letter in the blanks at the left.

A. Fidelilty bonds
B. Industrial park
C. Insurance
D. City council
E. Claims
F. Wholesale business
G. Public relations
H. Liability
I. Business zone
J. Depreciation

_____ 1. a place in a city, town, or county that allows only businesses to locate there.

_____ 2. a group of people, usually elected by the people, who run the local government

_____ 3. losing value over a period of time

_____ 4. requests that have been made to insurance companies to pay for some type of damage or sickness

_____ 5. a type of insurance taken out on people who work in special jobs which shows that they can be trusted

_____ 6. a way to make certain that if something unexpected happens, it can be paid for

_____ 7. responsibility for something

_____ 8. work that involves promoting the image of the business with people in the community

_____ 9. a large area that has only businesses in it

_____ 10. a business that sells products at a lower cost than other stores

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT TEST--PART 2

Answer the following statements True or False by placing a T for True or an F for False in the blanks at the left.

_____ 1. Success in the entrepreneurship will depend upon your letting people know about your business.

_____ 2. Promotion includes anything that lets people know about your business.

_____ 3. People do not need to hear good things about your business.

_____ 4. How you promote yourself gives customers an idea of what your services are like.

_____ 5. Good promotion has nothing to do with public relations.

_____ 6. It does not matter if customers think that your business is important to the community.

_____ 7. Promotions will help your products to sell.

_____ 8. If people know you, they will buy from you.

B. Name two ways to promote a business.

1. ____

2. ____

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT TEST--PART 3

A. Name five places where a business can be located.

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

B. Place a check beside each statement that is False.

_____ 1. You should not choose your business location carefully; this is a waste of time.

_____ 2. In choosing a business location, find out if the renting and leasing terms are good.

_____ 3. In choosing a business location, you do not need to know what the competition is like.

_____ 4. If you open a retail business, you should find out what the pedestrian traffic is like.

_____ 5. Business location is not important to the success of a business.

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT TEST--PART 4

A. Place a check beside each True statement.

_____ 1. Business records are important for entrepreneurships to succeed.

_____ 2. Records help you to see from where the business has come.

_____ 3. Records help you to see where the business is going.

_____ 4. Records should be hard to use and keep.

_____ 5. Most records will always disagree with each other.

_____ 6. You will need to find a way to keep records that is easy for you.

_____ 7. Records should be kept in a good file system.

_____ 8. All businesses will keep some type of records.

B. What are the two types of records?

1. ______________________________

2. ______________________________

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT TEST--PART 5

A. List five types of insurance.

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

B. Entrepreneurs should get insurance from people they can trust. List five things you should look for when buying insurance.

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

C. For each of the following, list three things you could do to get good store or business security.

1. Theft
    A. ______________________________
    B. ______________________________
    C. ______________________________
2. Shoplifting
    A. ______________________________
    B. ______________________________
    C. ______________________________

D. Place a check beside each statement that tells how you can protect your employees.

_____ 1. Keep the entrepreneurship clean and picked-up.

_____ 2. Have exits well marked.

_____ 3. Have the business checked by a person who knows safety laws.

_____ 4. Have fire extinguishers.

_____ 5. Make plans of how to correct problems so that accidents will not happen again.

UNIT VII

HELPING THE BUSINESS SUCCEED

UNIT TEST--PART 6

Place a check beside each True statement.

_____ 1. Not everyone can be an entrepreneur.

_____ 2. Do not try to build your business too quickly.

_____ 3. Make your own decisions.

_____ 4. Be patient in building your business.

_____ 5. Plan your work well.

_____ 6. Be excited about your business.

_____ 7. See problems as just a challenge to building an even better business.

_____ 8. Think often about the rewards you are getting.

_____ 9. You cannot be your own boss.

_____ 10. You can be your own boss.

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"Getting Down to Business: Dairy Farming"
"Getting Down to Business: Bicycle Store"
"Getting Down to Business: Flower and Plant Store"
"Getting Down to Business: Innkeeping"
"Getting Down to Business: Nursing Service"
"Getting Down to Business: Wheelchair Transportation Service"
"Getting Down to Business: Health Spa"
"Getting Down to Business: Housecleaning Service"
"Getting Down to Business: Sewing Service"
"Getting Down to Business: Home Attendant Service"
"Getting Down to Business: Guard Service"
"Getting Down to Business: Pest Control"
"Getting Down to Business: Energy Specialist"
"Getting Down to Business: Auto Repair Shop"
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SMALL BUSINESS ADMINISTRATION

FINANCIAL MANAGEMENT

The ABC's of Borrowing
What is the Best Selling Price
Keep Pointed Toward Profit
Basic Budgets for Profit Planning
Pricing for Small Manufacturers
Cash Flow in a Small Plant
Credit and Collections
Attacking Business Decision Problems with Break-even Analysis
A Venture Capital Primer for Small Business

Accounting Services for Small Service Firms
Analyze Your Records to Reduce Costs
Profit by Your Wholesaler's Services
Steps in Meeting Your Tax Obligation
Getting the Facts for Income Tax Reporting
Budgeting in a Small Business Firm
Sound Cash Management and Borrowing
Keeping Records in Small Business
Check List for Profit Watching
Simple Breakeven Analysis for Small Stores
Profit Pricing and Costing for Services
Locating or Relocating Your Business
Problems in Managing a Family-Owned Business
The Equipment Replacement Decision
Finding a New Product for Your Company
Business Plan for Small Manufacturers
Business Plan for Small Construction Firms
Business Life Insurance
Planning and Goal Setting for Small Business
Fixing Production Mistakes
Setting Up a Quality Control System
Can You Make Money With Your Idea or Invention?
Can You Lease or Buy Equipment?
Can You Use a Minicomputer?
Check List for Going into Business
Factors in Considering a Shopping Center Location
Insurance Checklist for Small Business
Computers for Small Business--Service Bureau or Time Sharing
Business Plan for Retailers
Using a Traffic Study to Select a Retail Site
Business Plan for Small Service Firms
Store Location "Little Things" Mean a Lot
Thinking About Going Into Business?

GENERAL MANAGEMENT

Delegating Work and Responsibility
Management Checklist for a Family Business
Preventing Retail Theft
Stock Control for Small Stores
Reducing Shoplifting Losses
Preventing Burglary and Robbery Loss
Outwitting Bad-Check Passers
Preventing Embezzlement Marketing
Measuring Sales Force Performance
Is the Independent Sales Agent for You?
Selling Products on Consignment
Tips on Getting More for Your Marketing Dollar
Developing New Accounts
Marketing Checklist for Small Retailers
A Pricing Checklist for Small Retailers
Improving Personal Selling in Small Retail Stores
Advertising Guidelines for Small Retail Firms
Signs in Your Business

Plan Your Advertising Budget
Learning About Your Market
Do You Know the Results of Your Advertising?

PERSONNEL

Checklist for Developing a Training Program
Pointers on Using Temporary-Help Services
Preventing Employee Pilferage
Setting Up a Pay System
Staffing Your Store
Managing Employee Benefits

LEGAL

Incorporating a Small Business
Selecting the Legal Structure for Your Business
Introduction to Patents
Association Services for Small Business
Market Overseas with U.S. Government Help

SPECIAL TOPICS
(Small Business Bibliographies)

Handcrafts
Home Businesses
Selling by Mail Order
Marketing Research Procedures
Retailing
Statistics and Maps for National Market Analysis
National Directory for Use in Marketing
Recordkeeping Systems--Small Store and Service Trade
Basic Library Reference Sources
Advertising--Retail Store
Retail Credit and Collection
Buying for Retail Stores
Personnel Management
Inventory Management
Purchasing for Owners of Small Plants
Training for Small Business
Financial Management
Manufacturing Management
Marketing for Small Business
New Product Development
Ideas Into Dollars

BOOKLETS

An Employee Suggestion System for Small Companies
Human Relations in Small Business
Improving Material Handling in Small Business
Cost Accounting for Small Manufacturers
Handbook of Small Business Finance
Ratio Analysis for Small Business
Practical Business Use of Government Statistics
Guides for Profile Planning
Personnel Management Guides for Small Business
Profitable Community Relations for Small Business
Small Business and Government Research and Development
Management Audit for Small Manufacturers
Insurance and Risk Management for Small Business
Management Audit for Small Retailers
Financial Recordkeeping for Small Stores
Small Store Planning for Growth
Selecting Advertising Media: A Guide for Small Business
Franchise Index/Profile: A Franchise Evaluation Process
Training Salesmen to Serve Industrial Markets
Financial Control by Time Absorption Analysis: A Tool for Profit Control
Management Audit for Small Service Firms
Decision Points in Developing New Products
Management Audit for Small Construction Firms
Purchasing Management and Inventory Control for Small Business
Managing the Small Service Firm for Growth and Profit
Credit and Collections for Small Stores
Records and Credit in Profitable Management
Aspects of Sales Promotion
Taxation, Key Factor in Business Decisions
Communication and Control
Human Factors in Small Business
Choosing a Form of Business Organization
Safeguarding Your Business and Management Succession
Small Business Location and Layout
Effective Advertising
Sources of Assistance and Information
Franchising
Merchandise Pricing
Merchandise Control
Managing for Profits
Profit Plan
Capital Planning
Understanding Money Sources
Evaluating Money Sources
Asset Management
Managing Fixed Assets
Understanding Costs
Cost Control
Marketing Strategy
Retail Buying Function
Inventory Management, Wholesale/Retail

Retail Merchandise Management: A Self-Instructional Booklet
Consumer Credit
Credit and Collections: Policy and Procedures, A Self-Instructional Booklet
Purchasing for Manufacturing Firms
Inventory Management: Manufacturing Service
Inventory and Scheduling Techniques, Manufacturing
Risk Management and Insurance
Managing Retail Salespeople
Job Analysis, Job Specifications, and Job Descriptions
Recruiting and Selecting Employees
Training and Developing Employees
Employee Relations and Personnel Policies

SBA OFFICES

City	Zip Code	Address	Telephone
Austin	78701	300 E. 8th Street	(512) 397-5288
Corpus Christi	78408	3105 Leopard St., P.O. Box 9253	(512) 888-3311
Dallas	75235	1720 Regal Row, Room 230	(214) 767-7643
Dallas	75242	1100 Commerce St., Room 3C36	(214) 767-0605
El Paso	79902	4100 Rio Bravo, Suite 300	(915) 543-7856
Harlingen	78550	222 E. Van Buren St., Suite 500	(512) 423-4534
Houston	77002	One Allen Ctr., Suite 705 500 Dallas Street	(713) 226-4341
Lubbock	79401	1205 Texas Ave., Room 712	(806) 762-7466
Marshall	75670	100 S. Washington Street Room G-12	(214) 935-5257
San Antonio	78206	727 E. Durango, Room A-513	(512) 229-6250

BUSINESS PERIODICALS

Business. Bimonthly. University Plaza, Georgia State University, Atlanta, GA 30303.

Business Week. Weekly. McGraw-Hill, Inc., 1221 Avenue of the Americas, New York, NY 10020.

Consumer Trends. 24 issues a year. 375 Jackson Ave., St. Louis, MO 63130.

Direct Marketing. Monthly. Hoke Communications, Inc., 224 7th St., Garden City, NY 10007.

Entrepreneur. Bimonthly. Junction Enterprises, 2194 Briarcliff Rd., Atlanta, GA 30329.

Entrepreneur. Monthly. Institute for Profit Planning, Inc., 280 John Knox Rd., Suite 223, Tallahassee, FL 32303.

Entrepreneur Magazine. Monthly. Maxwell Eden, editor and publisher. 2311 Pontius Ave., Los Angeles, CA 90064.

Entrepreneurial Manager's Newsletter. Monthly. (For owners of small businesses.) Subscription Nonpaid. Center for Entrepreneurial Managers, 311 Main St., Worcester, MA 01608.

Forbes. Biweekly. 60 Fifth Ave., New York, NY 10011.

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Small Business Reporter. Bank of America, Dept. 3120, P. O. Box 37000, San Francisco, CA, 94137. (Free list of titles is available)

Venture: The Magazine for Entrepreneurs. Monthly. 35 W. 45th St., New York, NY, 10036.

TRADE ASSOCIATIONS

ACME, Inc., The Association of Management Consulting Firms, 230 Park Avenue, New York, NY 10169.

American Association of Minority Enterprise Small Business Investment Companies, 7th Floor, 915 15th St., NW, Washington, DC 20005

American Bar Association, 1155 East 60th St., Chicago, IL 60637.

American Federation of Small Business, 407 South Dearborn St., Chicago, IL 60605.

American Vocational Association, Inc., 2020 North Fourteenth Street, Arlington, VA 22201.

Association of Management Consultants, 500 North Michigan Avenue, Suite 1400, Chicago, IL 60611.

Business/Professional Advertising Association, 205 East 42nd Street, New York, NY 10017.

Center for Private Enterprise and Entrepreneurship, Baylor University, Waco, TX 76703.

Conference of American Small Business Organizations, 407 South Dearborn St., Chicago, IL 60605.

Council of Better Business Bureaus, 1515 Wilson Blvd., Arlington, VA 22209.

Distributive Education Clubs of America, Inc., 1908 Association Drive, Reston, VA 22091.

Federal Trade Commission, Washington, DC 20580.

Future Business Leaders of America, Phi Beta Lambda, Inc., P.O. Box 17417-Dulles, Washington, DC 20041.

International Council for Small Business, 929 North Sixth Street, Milwaukee, WI 53203.

International Franchise Association, Suite 1005, 1025 Connecticut Avenue, NW, Washington, DC 20036.

Junior Achievement, Inc., 550 Summer Street, Stamford, CT 06901.

Marketing and Distributive Education Association, 1908 Association Drive, Reston, VA 22091.

National Association of Franchise Companies, Box 610097, North Miami, FL 33161.

National Cash Register Corporation, 3095 Kettering Boulevard, First Floor, Dayton, OH 45439.

National Center for Research in Vocational Education, The Ohio State University, 1960 Kenny Road, Columbus, OH 43210.

National Federation of Independent Business, 150 West 20th Avenue, San Mateo, CA 94403.

SUPPLEMENT

QUESTIONS AND ANSWERS

Q: What is an entrepreneur?

A: An entrepreneur is anyone who starts a business. That business is called an entrepreneurship.

Q: How is an entrepreneurship different from other businesses?

A: An entrepreneurship is independently owned and independently managed.

Q: What does independently owned and independently managed mean?

A: This means that the business is not part of another company. The people who own the entrepreneurship are not working for someone else.

Q: What is the difference between a traditional and modern entrepreneurship?

A: A traditional entrepreneur has a business that makes and sells new products, and modern entrepreneurs have a business that does not make new products and services. If someone buys a business from another person, he can be called a modern entrepreneur.

Q: Why do people become entrepreneurs?

A: There are two main reasons why people become entrepreneurs. They are to(1) be their own boss, and (2) to make more money.

Q: Can anyone be an entrepreneur?

A: Yes, anyone in America can be an entrepreneur.

Q: Are there countries where people cannot be entrepreneurs, and, if so, why?

A: In some countries, the government will not let people start their own business. Countries that have a socialist or communist government allow very few entrepreneurships. The government controls the businesses. We are lucky to be living in a free enterprise economic system.

Q: What is free enterprise?

A: Free enterprise is a system in which the people of the country are allowed to buy and sell property.

Q: In a free enterprise system, is the government not involved in businesses?

A: Not directly. The government provides certain services, such as protecting employees and customers and providing roads and law enforcement that help the free-enterprise system to keep working.

Q: Are there many entrepreneurships in America?

A: Yes there are. Ninety-seven percent of the businesses in America are small businesses and one in eight people is self-employed.

Q: What do I have to do to be an entrepreneur?

A: Being an entrepreneur is not something that just happens. Most entrepreneurs want very much to be their own boss. If you have that desire or can build that desire, you may have what it takes. Entrepreneurs have traits that make them successful. You should learn what your traits are.

Q: What are some traits of entrepreneurs?

A: Entrepreneurs are self-starters, like people, have leadership skills, complete jobs, work hard, make good decisions and plans, can be trusted, and do not mind taking a risk. These are just some of the traits. Not all entrepreneurs have every one of these traits, some have to be developed.

Q: How can I learn about my traits?

A: There are many ways to learn about these traits you have that will help you to be an entrepreneur. Get others opinions, ask yourself what you want, and decide if you are willing to make the sacrifice to become an entrepreneur.

Q: What sacrifices must be made?

A: Entrepreneurs must work hard and they have many responsibilities. Many times the entrepreneur will be working when others have stopped.

Q: Sounds like a lot of hard work. Why go to all the trouble?

A: Because the rewards are great. It may take much hard work to become an entrepreneur, but how many people can say they own their own business, are their own boss, can make their own decisions, and decide how much money they can make? Perhaps the best reason to become an entrepreneur, however, is because we can. America gives us that chance so why not take advantage of it?

Q: Are there some things I should learn before trying to become an entrepreneur?

A: There is no one thing that a future entrepreneur must do. Several things can help you get started. One of these is to make good plans about what you want to do. A good plan will help your cash-flow.

Q: What is a cash-flow?

A: A cash-flow is the money that goes in and out of the business every day. Cash-flow helps in the day-to-day operation of the business.

Q: How do you develop a cash-flow?

A: A cash-flow can be started in many ways. The best way is through the sale of products. An entrepreneur can also reduce the amount of waste in the business and keep good control of the cash-flow. Technical assistance can help you to develop a good cash-flow.

Q: What is technical assistance?

A: Technical assistance is the using of another person or business that has information that the entrepreneur needs. For example, a new entrepreneur may not know all of the laws that will help him/her to start a business. A lawyer can help with this kind of information because he/she knows about laws. The lawyer would be a type of technical assistance.

Q: Where can I find technical assistance?

A: Assistance can be found almost any place. Telephone books, newspapers, the Small Business Administration, or a trusted friend can lead you to the right assistance.

Q: What other things should I know about before starting a business?

A: It is important to know about a business plan. The business plan is written down and tells exactly how your entrepreneurship will operate.

Q: Why is the business plan important?

A: The business plan helps to get problems out of your business before it is started. A well planned business has a better chance of being successful. The entrepreneur will also have a better chance of getting bank loans to start the business if it is well planned.

Q: What should I include in my business plan?

A: The plan should tell all about the business. What products and services are to be made, where the business will be located, who you will sell the products to and who will own the business are just some of the things you will need to include.

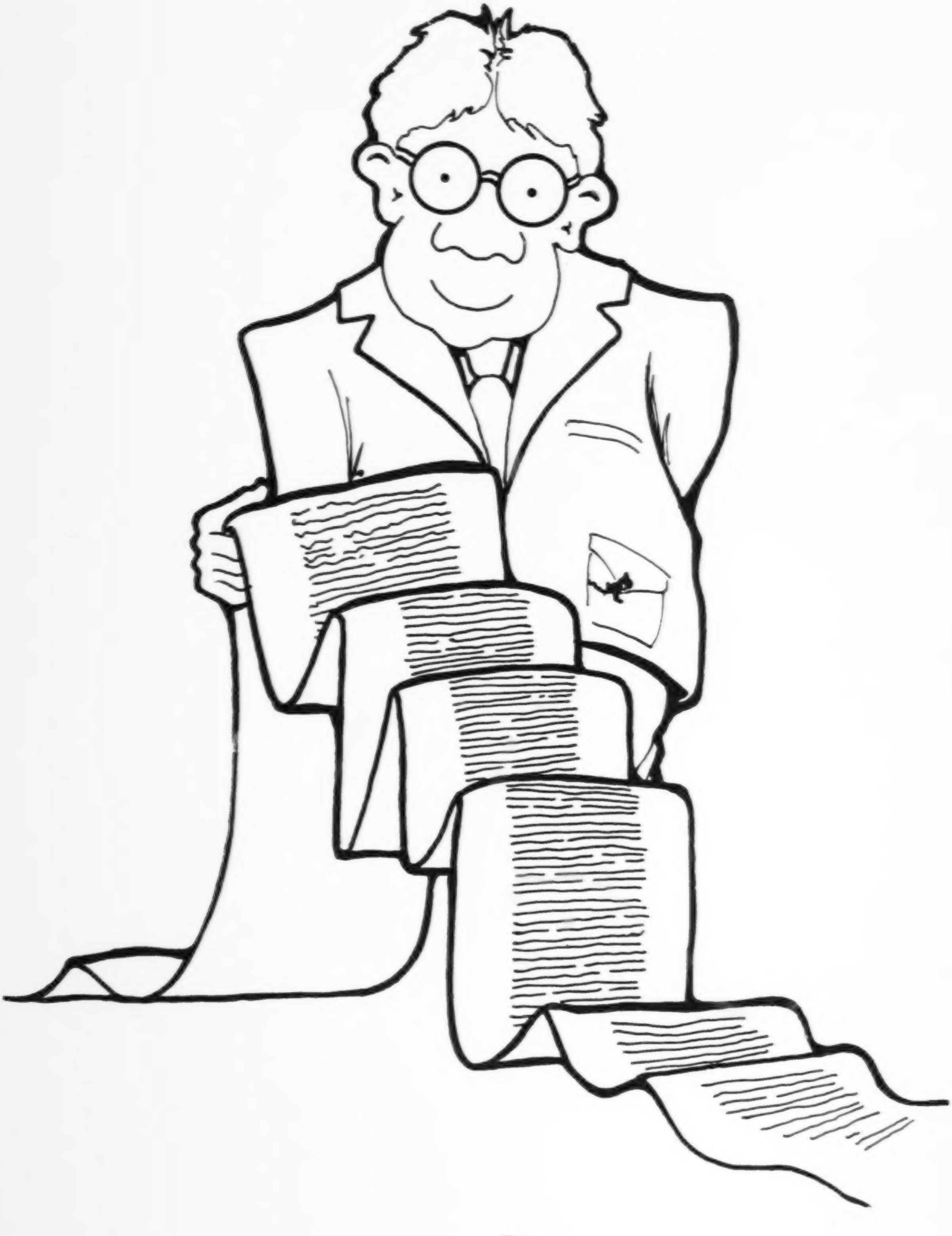
Q: How can I find technical assistance to develop my business plan?

A: Check with the SBA or a neighborhood bank; they will have suggestions on the type of things they look for in a business plan.

Q: I can see that there are many things that I need to know about starting a business. Do you think I can be a successful entrepreneur?

A: Yes! Many people have the ability to be an entrepreneur. Like any job, the better you prepare, the more success you can have. Learning where to locate your business, how to manage the records, and how to work with people will help you to be a successful entrepreneur. Too many new entrepreneurs try to move too fast. They want their business to be a success right now! With experience you will learn how to develop your business at just the right pace. Most of all, remember that you can be your own boss.

Meet John . . .



. . . He is one of seven entrepreneurs whom you will learn about in this book. You will also meet Daffiny, Ronny and Roger, José, Marie, and Sheila.

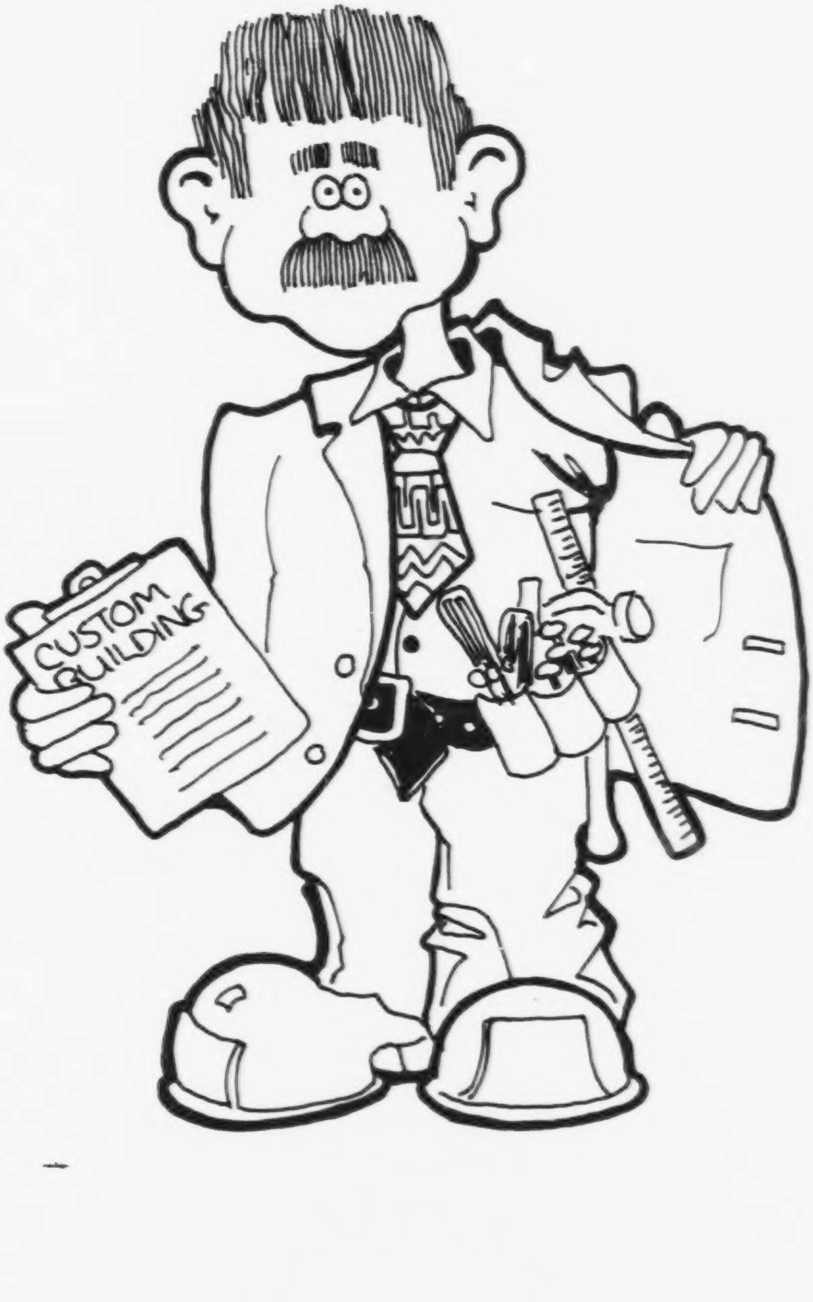
An entrepreneur is a person who starts a small business. The small business is called an entrepreneurship. John's entrepreneurship is named Computer Ideas.

When John was 15, he went to a furniture plant to take a tour. While he was there, he saw the computers which helped run the business. This was the first time he had ever seen a computer, and he really liked what he saw. John, like almost everyone, was really good in one thing--he liked machines. John spent a lot of time working on televisions and radios. After John saw the computer, televisions and radios became less important to him. John began learning all he could about computers.

During the summer months, John worked in the furniture plant. He helped take care of the computer, doing simple jobs like taking care of tapes, data cards, and running address labels. When John finished school, he went to work full-time in the computer center of the furniture company and began going to a technical trade school at night to learn more about computers. At the school, he learned about programming computers and how the machines operate. While John worked for the furniture company, he met many people who sold computers and computer supplies. Four years ago, John bought a small computer to use at home. At that time, John thought that more and more people would want computers in their homes in the years to come.

John's job got boring to him after about three and a half years. He had learned all he could about the computers at the furniture plant, and no job promotions were in his future. John began thinking about other work that he might be able to do. At this time, the idea of people needing computers in the home came back to him. John began looking for a place where he might open a small computer store. The people whom he had met while at work became interested in John's idea too. Before long, John had set up the first small computer store in his area. With the help of his friends, John started a successful entrepreneurship. Not only does John sell computers, he teaches people how to operate their machines. Computer Ideas is John's very own business.

Meet José . . .


CUSTOM BUILDING

. . . He lives in south-central Texas. José's parents moved to the United States when he was just a baby. They came to America to find work and make a living. Over the years, the family members have become American citizens and have helped the town in which they live to grow.

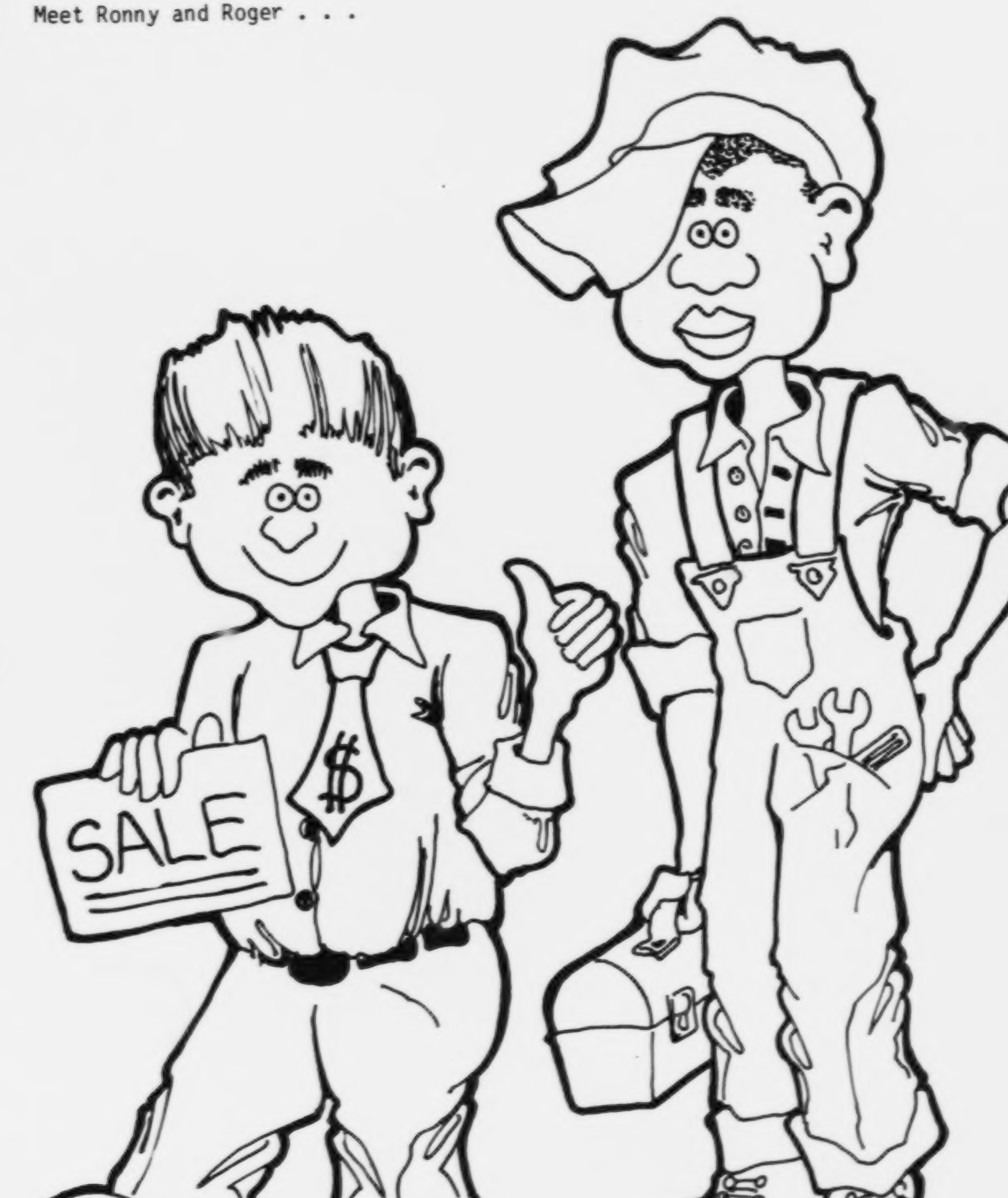
José's father heard that America was the land of opportunity. He was a carpenter back in his old country, but very little work was available for him. Many people in the old country were poor and could not pay someone to build houses and furniture for them. Because there was no work, José's parents decided to move to the land of opportunity. They thought that their family could have a better chance to live in the new country.

As José grew up, he went to work with his father. José learned how to lay bricks, frame houses, and read blueprints. After José's father died in 1978, José began began taking small jobs. He built walks, patios, and sometimes added rooms to people's houses. As José became more experienced, he began getting more and more jobs. He soon began building many large houses and some office buildings. Within just a few short years, José had to hire some people to help him.

José sometimes goes back to the old country to visit aunts, uncles, and cousins. José is glad to come home after being in the old country. José thinks that his father was a very wise man for moving to the land of opportunity.

José is an entrepreneur who has used what America has to offer. José owns his own business. Its name is Custom Building.

Meet Ronny and Roger . . .



...Ronny and Roger are business partners. They own and operate R and R's New and Used Cars and Parts. Together they have started a successful entrepreneurship; they are using their skills to build a great business.

Before Ronny began working with Roger, he had worked at many jobs. All Ronny's previous jobs have been in sales. If something is to be sold, Ronny can sell it. He knows how to meet people, find out what they want or need, and how to help them get what they want. Ronny is a jolly fellow, and people trust him. He is such a good salesman that the people for whom he has worked in the past hated to see him leave. Ronny said that he could not find that "one right job" where he could really be happy. Many times, Ronny thought that he would like to have his own business, to be his own boss. Ronny did not know what business he could start. Ronny also knew that starting a business required much planning and he was a poor planner.

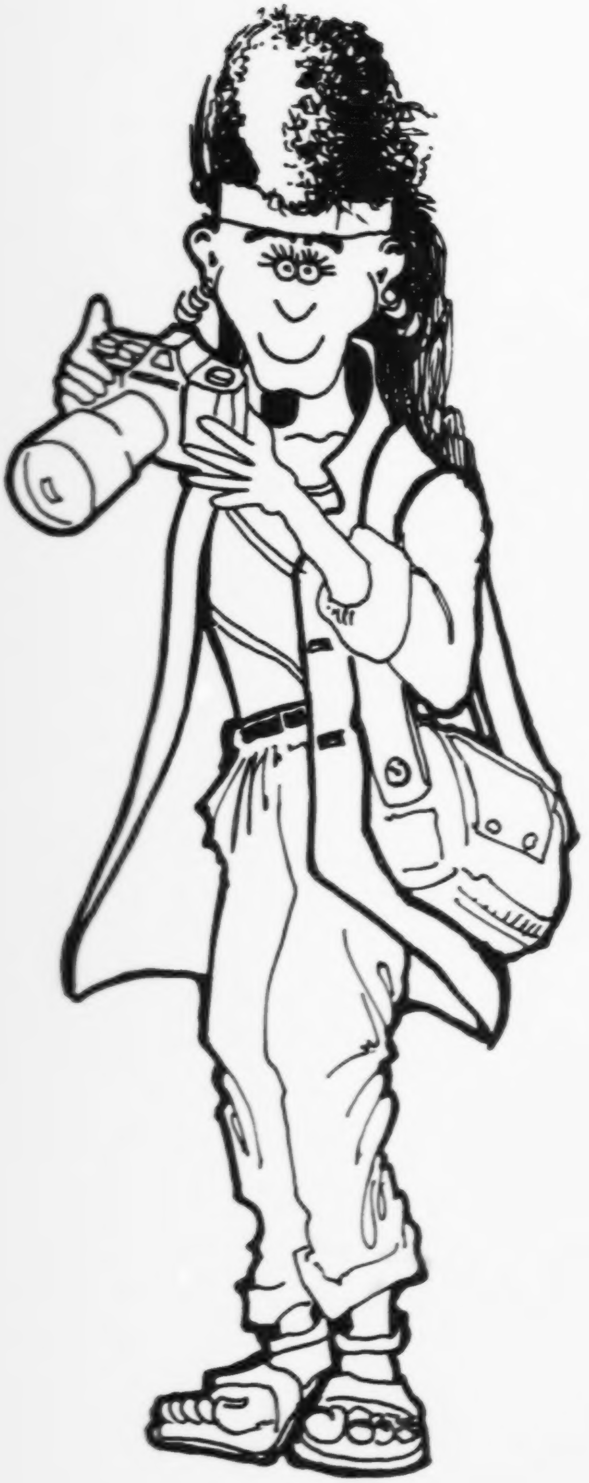
Roger had problems just the opposite of Ronny. Roger had received training in auto mechanics, and if something needed to be fixed, then he could fix it. Roger did not have the good skills with people that Ronny had. Roger would rather work on his cars than work around a lot of people. Roger had his own shop and was making just enough money to get by. He knew that he needed to expand his business in order to make more money, but he did not know how.

One day, Ronny brought his car into Roger's shop to be fixed. While Ronny was waiting, he made the statement that he would like to have his own business like Roger did. Roger replied, "Yeah, it's okay. I need to expand and get more customers, but I don't have time to get out and find them." Ronny thought that he could make a deal with Roger. Ronny said that he would help advertise the business and get people to come to his shop. Roger, in turn, would pay Ronny 20% of what he made from people who came to the shop.

Over the next few months, Roger's business began to grow, and Ronny began to make more and more money. The two began to talk and realized that they had a good thing going. The two men decided to enter into a formal partnership with each other to open a new and used cars and parts store. Roger brought into the partnership tools, some money, and a lot of knowledge about how to keep books and records. Ronny brought into the partnership some used cars, some money, and a lot of knowledge on how to work with people. It was a fifty-fifty partnership. Ronny and Roger signed a contract which made the partnership legal.

One of the terms in the contract required each man to teach the other what he knew. Roger taught Ronny how to keep books and records. Ronny taught Roger how to work with people. Together Ronny and Roger are building a successful business. They are partners in their own entrepreneurship.

Meet Daffiny . . .



. . . She lives in a large town in north Texas. Daffiny is the sole proprietor of Pictures Unlimited. The fact that Daffiny has her own business is not too unusual, but the story behind her success is a very special one.

Several years ago, when Daffiny was a junior in high school, she got a job in a company that developed pictures. Daffiny did not think there was anything special about her job at the time. Like many of her friends who worked in the afternoons, Daffiny saw her job as just a way to help pay for her new car. A couple of weeks before she graduated from high school, Daffiny began thinking about what she was going to do after graduation. Daffiny decided to stay at her job, but she also wanted to learn more about the business.

Daffiny enrolled in an adult education class at a local community college. In this class, Daffiny learned about cameras and how they work. Daffiny soon bought a camera and began taking pictures. She began putting into practice some of the things that she was learning in class.

In a few short months, a job opened in the film developing department where Daffiny worked, and Daffiny applied for the job. Because Daffiny had taken the adult education course, everyone knew that Daffiny was interested in photography. Daffiny got the job and moved from being a file clerk in the bookkeeping department to an assistant in the film developing department.

Meanwhile, Daffiny enrolled in another course, this one in film developing, at the community college. Daffiny moved from developing black-and-white pictures to color prints in a few short weeks. Between school and work, Daffiny was learning a great deal about photography. She continued taking pictures on her own and developing them at home. Photography was becoming Daffiny's hobby.

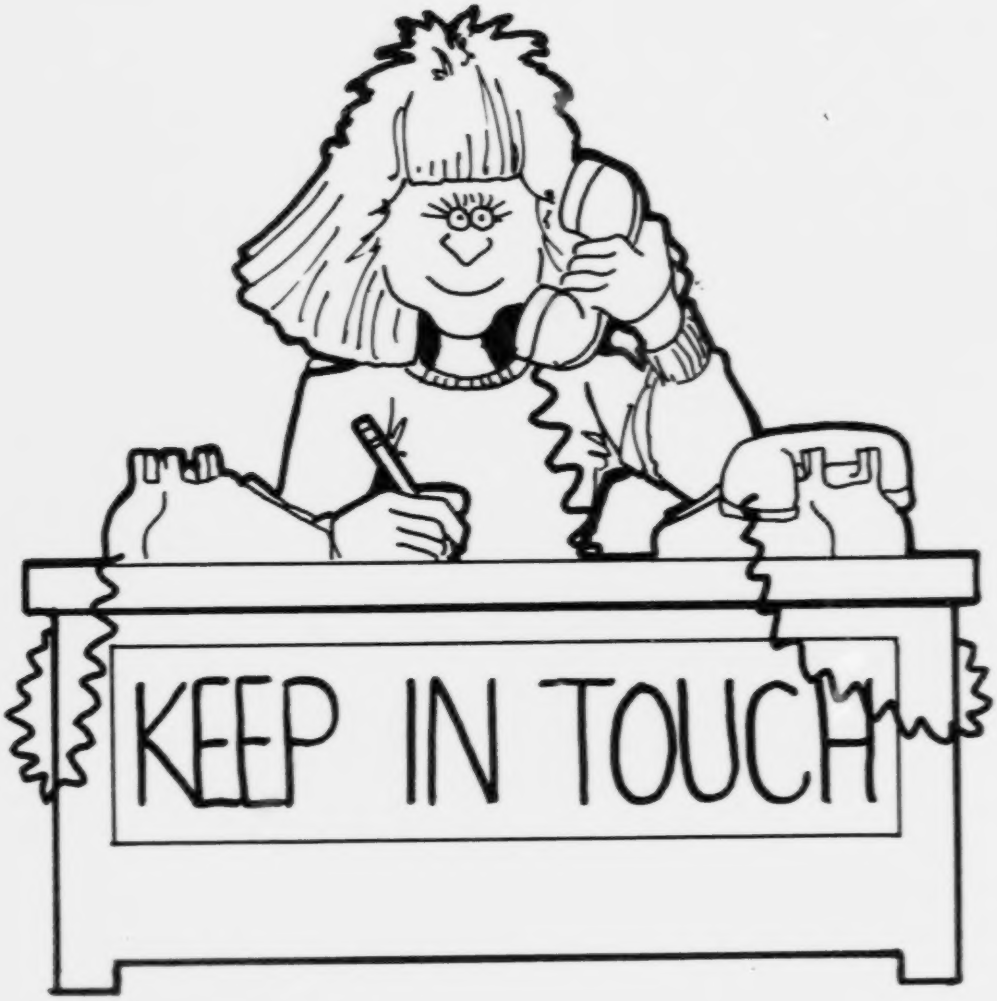
One day, a friend of Daffiny's asked if she would take some pictures of her children. The pictures were to be a Christmas present for her friend's husband. The pictures turned out very well. During the next few months, Daffiny began taking pictures of more and more people. These pictures of others are called portraits. Daffiny began selling portraits that she made and became an excellent photographer.

Within a year or so, Daffiny opened a small studio where she could take pictures. This studio was behind her house in a small building that her parents had used as a storage shed. As people found out about Daffiny's work, they began calling her for portraits. Daffiny began taking pictures of weddings, anniversaries, and other special occasions, too.

Daffiny became so busy in her photography that she had to quit her job. Daffiny began renting a small office near her home where she could run her business more professionally. Daffiny named her business Pictures Unlimited. Today, Daffiny owns a building where she keeps her studio and sells all types of photography supplies.

Daffiny is a modern entrepreneur.

Meet Sheila . . .


KEEP IN TOUCH

. . . She lives in a west Texas city and is the mother of three school-age children. Sheila is an entrepreneur who works out of her home and provides a service for many people in her city.

Sheila used to work for a large business. In that business, she learned many things about business success and how to work with people. Sheila also learned how to do promotions and sales. Sheila liked her job but did not really think that the things she learned would be helpful in the years to come. She was wrong.

Sheila had to work many late hours on her business. This was difficult because her children came home from school to an empty house. Shelia did not have the money to send her children to an after-school-care program. Because Sheila was divorced and a single parent, no other adults could be at home with her children after school.

Sheila was concerned about her children's safety. Sheila's children called her at work every afternoon when they got home; this way, she knew the children would be okay. Several other mothers began using Sheila's idea and had their children call them at work also. One day, Sheila's boss made the comment, "There ought to be someone these children can call besides you folks. This is really messing up our work." These words started Sheila thinking about the problem of children coming home to an empty house.

In a few short months, Sheila had contacted many people with this same problem. She decided that enough people had this problem that she could set up a small business where children could call her after school and not bother their parents at work. Sheila had a simple contract written for people to sign. This contract said that people would pay her $15.00 a month to check on their children after school, by phone. If the children did not call or could not be reached, Sheila would call the parents at work.

Sheila quit her job and took a part-time job. She worked from 8:00 in the morning until 2:00 in the afternoon. At 3:00 in the afternoon, Sheila was at home taking phone calls and, at the same time, was at home with her children.

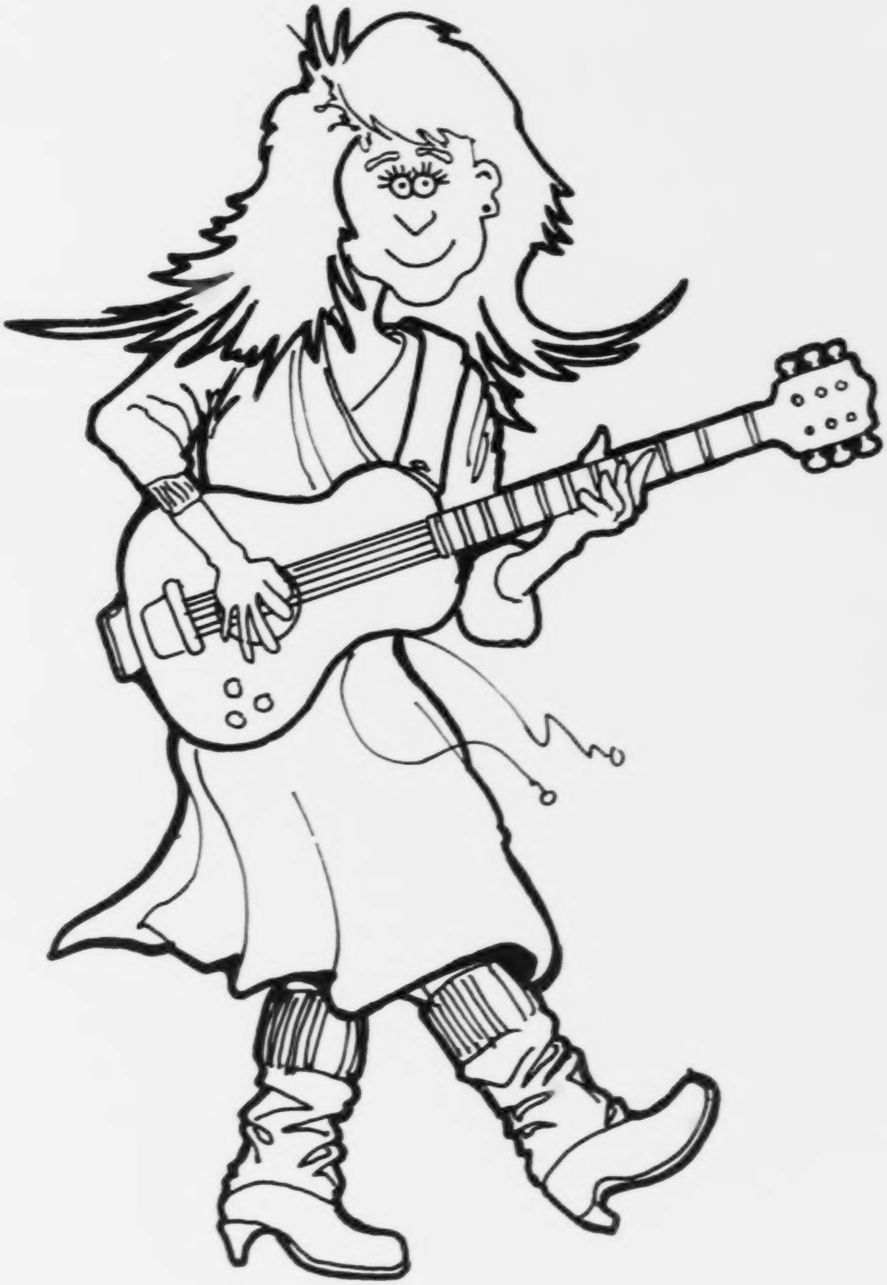
Sheila began advertising and promoting her business. In eight months Sheila quit her part-time job. She had a lot of business.

A problem appeared with her business, however. In the summer, many people did not need Sheila's help. Because of this problem, she was not making as much money as she did in the winter. Shelia thought about this problem and realized that many people needed her service. She soon expanded her business by calling people who could not get out of the house for some reason. Many of these people were older adults whose children paid Sheila to call them everyday for about five minutes to see if they were all right. Sheila's business grew. She was busy all day.

Sheila has to keep many records in her business. She keeps emergency phone numbers for each of the people for whom she works. She also keeps up-to-date records of who has paid her for her services.

Sheila is an entrepreneur and she started her business for less than $100.00. Many things are available for people to do today to make a living. It used to be that people had to have a lot of money to start a business. Even now, some people think that rich people get richer while the poor get poorer. Sheila helps us to see that these things do not need to be true. The name of her business is "Keep in Touch."

Meet Marie . . .



. . . She is an entrepreneur. Like most entrepreneurs, Marie likes being her own boss. Many entrepreneurs find something they like to do and then look for a way to make money doing what they like. Marie is no different from other entrepreneurs.

When Marie was trying to decide what she would like to do after high school, she began looking at those things that she was good at. One thing that she did well was helping people. Marie liked looking after people who were ill or could not help themselves. Another thing that Marie was good at was drama. Marie really liked to act and had been in several school plays.

Marie came from a poor family and knew that going to acting school would be impossible. Even if she did go, she was not sure she could get work as an actress. Marie decided to go into the health field; work is always available in that area. Marie received some training as a nurse's aid and began to work in a rest-home for older adults.

Marie enjoyed her work with adults. She would often stop and sit beside the patients and talk to them. The patients came to really like Marie. She made them feel happy.

One day, Marie asked the head nurse if she could have a birthday party for some of the clients. The head nurse agreed to the idea and thought that the people who lived there would really like that kind of activity. On the day of the birthday party, Marie played her guitar and did a few short plays for the people. Everyone was surprised to see how well Marie could act.

A few months later, Marie was asked to become the Activity Director of the nursing home. Marie began to use all of her skills in working with people. Marie's work began to change the entire nursing home. People seemed happier. Soon, other nursing homes were asking Marie to come provide a short program for them as well.

Marie decided some time later that she really enjoyed traveling to other nursing homes and adult centers to work with older people. Marie began making many appointments to do shows for older adults. Marie quit her job and became her own boss. Marie is an entrepreneur. The name of her business is Entertainment with Marie.